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SPORTS UPSETS MARK YOUTH WORLD CUP, Page 18

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Pentagon Seeks to Call Up 33,000 More Reservists



New arrivals Friday passing an empty refugee camp in Blace, Macedonia.

Serbs Intensify Expulsions

By Joseph Fitchett
International Herald Tribune

PARIS — In a new frenzy of ethnic cleansing, Serbian troops and irregulars appear bent on emptying Kosovo of its entire ethnic Albanian population, the United Nations refugee agency said Friday.

"A couple of months ago it would have seemed unbelievable to the civilized world that the Serbs would actually expel the entire civilian population, but this seems to be reality now," Kris Janowski, spokesman for the UN High Commissioner for Refugees, said at a news conference in Geneva.

Describing the situation inside Kosovo as "completely out of control" in humanitarian terms, he said the province's remaining villages were being laid waste, jamming the roads with people as the remaining 400,000 to 500,000 ethnic Albanians in Kosovo struggled toward the borders.

The latest arrivals in Macedonia and Albania — 12,000 in a 24-hour period, some of whom had been traveling on foot for four days — pushed the total number of displaced Kosovars to well over a million people in the neighboring countries and beyond.

A Serbian terror campaign, helping explain the tidal wave of refugees, seemed to involve civilian atrocities, according to the State Department spokesman, James Rubin, who said that the United States was developing evidence "of mass killings and graves associated with those mass killings." Asked how many, he answered: "Significant, mass, we're not talking a few dozen."

As it bolstered its relief efforts on the ground for the refugees, NATO also had what its spokesman called "one of our best nights" in the air campaign, flying more than 400 missions Thursday night and early Friday, mainly against Serbian Army and police units in Kosovo.

The raids hit tanks, surface-to-air missiles, guidance radars and several MiG-21 fighters at a base in Pristina, the

Evidence at convoy scene. Page 4.

regional capital, he said, adding that Serbian forces were "sustaining casualties" at a growing rate.

Taking advantage of better weather and the arrival of reinforcements to increase the sortie rate, NATO also hit Serbia's main oil refinery again and also bombed Serbian facilities at a base at Podgorica, capital of Montenegro, the tiny country that is Belgrade's partner in the Yugoslav Federation and which lies between the Adriatic and Serbia, including Kosovo.

The continuing expulsion of Kosovar civilians, which NATO airpower remains virtually powerless to prevent, threatens to destabilize Macedonia and other countries around Kosovo as fresh waves of destitute Albanians pour onto their territory and upset their ethnic mix and frail political systems.

For NATO, the conclusion seems increasingly inescapable, experts said, that ground forces, including U.S. troops, will have to be exposed to combat for the alliance to deliver on its pledges that the refugees will all return to Kosovo and live in secure conditions. Even as they insist that the Serbian military machine is being battered by the air war alone, Western officials have started cautiously airing a scenario in which NATO forces could end up fighting their way into Kosovo if Serbian forces retreated but Slobodan Milosevic, the Yugoslav president, still refused to sign a political settlement.

Primarily, however, allied leaders focused on trying to surmount the shock of a bombing error Wednesday that killed Albanian refugees and the repercussions on NATO's public credibility of apparent fumbling in the official handling of the episode — which now seems to have involved not one but possibly four separate incidents.

On Friday, NATO spokesmen in Brussels sounded increasingly defensive about their inability to offer better explanations or show videotapes of what the pilot saw in the single mistaken at-

More Air Crews Sought

By Steven Lee Myers
New York Times Service

WASHINGTON — The Pentagon is planning to ask President Bill Clinton for the authority to call up as many as 33,000 reservists and National Guard members to bolster the attack against Yugoslavia, senior military and administration officials said Friday.

Secretary of Defense William Cohen appeared at the Pentagon on Friday and said that it would take a couple of days to work out the exact number of reservists who might be needed. But he added that "I think it'll be a significant number."

The secretary said he would probably present the request to Mr. Clinton early next week.

Because of the size of the call-up, which would significantly widen the American contribution to NATO's war in the Balkans, its impact is likely to ripple across the United States, affecting families, interrupting college educations and putting strains on employers. Since a majority would be pilots or aircraft crew members, the impact might be felt most in the aviation industry, which employs thousands of reservists and Guard members, officials said.

The cost of the U.S. commitment continues to rise. The White House is expected to ask Congress for \$5.9 billion in emergency spending to cover the cost of American involvement in the operation over the next few months.

The request for the reservists has significantly increased cost estimates of \$3 billion to \$4 billion earlier this week, administration officials said. They attributed the increase to the activation of so many reservists and the request by NATO's supreme commander, General Wesley Clark, for about 300 additional American aircraft.

The size of the forces arrayed against President Slobodan Milosevic of Yugoslavia has grown steadily. Requests for more aircraft from NATO nations would increase the total to more than 1,000, more than double the 430 the alliance had ready when the strikes began on March 24.

The size of General Clark's request for American aircraft, which surprised officials within the Pentagon, forced officials to consider the large call-up of reservists and Guard members. Officials said Friday that the president was likely to approve the request.

A third of the aircraft requested are aerial tankers, needed to refuel the waves of fighters and bombers conducting raids into Yugoslavia. Many of those tankers — KC-135s and KC-10s — are assigned to reserve or National Guard units around the United States.

The Pentagon is still working out the details of which units will be called up and how many people will be needed. While a senior defense official said the total would be about 30,000, an administration official said it could be as high as 33,000.

By law, Mr. Clinton can authorize the activation of 200,000 reservists or Guard members for 270 days at a time. The secretary of defense then works out the actual numbers needed.

The final details of the activation

See RESERVES, Page 4

A Grim Tour of an Emptied Land

By Steven Erlanger
New York Times Service

UROSEVAC, Serbia — The evidence of "ethnic cleansing" here in Kosovo is written upon the doorsteps of their houses and upon their gates.

On the streets of this quiet, modest city in southern Kosovo, many doors and storefronts bear a spray-painted Christian cross with a Cyrillic "C" in each quadrant — a widely understood sign that the owners and occupants are Serbs.

The four letters, which are "S's" in Roman script, stand for the ancient Serb patriotic slogan, which is also a plea: "Samo Sloga Srbića Spasava" — "Only unity will save the Serbs."

Like the Jews of ancient Egypt, told to mark their doors with lamb's blood so that the angel of death would pass over their families and spare them, the Serbs are ensuring that Yugoslav security forces and paramilitaries do not evict them or burn down their property.

See SCENE, Page 5

That is a fate saved for the ethnic Albanians of the province, who have been forced from their homes to wander, like a lost tribe, numbers that the United Nations says may exceed 1 million — more than half of the 1.8 million Kosovars believed to have been living in the province, alongside some 200,000 Serbs.

The Yugoslav Army took reporters on a long bus journey through eastern and southern Kosovo to show them the carnage from an apparently errant NATO air attack on a column of ethnic Albanian refugees. But the most overpowering impression, even on a trip organized and controlled by an army at war, is of an organized campaign to evict ethnic Albanians from large parts of Kosovo and to burn down their businesses and homes.

While that is the essence of countless refugee accounts garnered and retold by Western journalists along Kosovo's

star that its "year" — one complete trip around — takes only 4.6 days.

Earth's home galaxy, the Milky Way, has about 200 billion stars. This is the first time anyone has detected more than one planet around any of them. Scientists put in a different category from the 1991 detection of planets around a whirling dead star in the constellation Virgo.

Before this decade, astronomers had been frustrated in their attempts to find any extrasolar planets. But in a remarkable

series of three orbiting worlds emerged from 11 years of telescope observations of the star Upsilon Andromedae, which is bright enough to see with the naked eye and is at a relatively close 44 light-years (about 264 trillion miles or 425 trillion kilometers) from Earth in the constellation Andromeda.

The findings were announced Thursday in San Francisco by two independent teams from four institutions that confirmed each other's conclusions using different equipment.

While the new solar system does not appear hospitable to life, the discovery implies that planets can form more easily than we ever imagined and that our Milky Way is teeming with planetary systems," said Debra Fischer of San Francisco State University, a member of one discovery team.

"This is the one we've all been waiting for," said Stephen Maran, a spokesman for the American Astronomical Society. "Astronomers hearts are in their throats."

The discovery provides the first clear evidence that science fiction writers are right to depict their characters hopping from planet to planet throughout the galaxy, said Geoffrey Marcy, who led Ms. Fischer's team.

"We are witnessing, I think, the emergence of a new era of human exploration," Mr. Marcy said.

The newfound solar system, following a trend set by the single planets detected around sunlike stars in recent years, exhibits orbital oddities and other unexpected properties that raise profound questions about where we fit in, he said, and whether our solar system may be "the result of some cosmic quirk."

All three planets are whoppers, ranging from at least two-thirds to four times the mass of Jupiter — gravitational bul-

lies that likely would have swept away any fledgling Earths. The data suggest they are giant gas balls, like Jupiter, with no surface to pool liquid water — a requirement for life as we know it.

Two of the planets orbit their star — which is younger and hotter than our sun — at distances similar to those of Venus and Mars (77 million and 232 million miles, respectively). These distances are not at all where conventional theory predicted such large planets would reside. The innermost of the triplets, first detected in 1996, skims so close to the

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A Canadian Icon Bids Farewell to Native Ice

By Steven Pearlstein
Washington Post Service

OTTAWA — For two hours and forty-five minutes, time seemed to stop in Canada. Wayne Gretzky, the country's only living hero, the crown prince of the national pastime, the repository of all that is good and distinctive about Canada — for the last time, the mighty Gretzky was skating on the native ice of hockey.

Prime Minister Jean Chretien was said to be overwrought that he could not skip out on a dinner for the visiting prime minister of China to take in the historic moment. Newspapers struggled to shoehorn in news from Yugoslavia among all the Gretzky appreciations. Television networks scrapped their regular schedules. Local hotels were booked solid with the last-minute arrivals of press and hockey officials. A special police unit was called in to keep back the admiring hordes.

For Canadians, it seemed a moment of no less import than if the government had fallen or the largest company been bought out. It was as if Michael Jordan and Joe DiMaggio had decided to call it quits on the same day.

As the game between Gretzky's New York Rangers and the Ottawa Senators ground down to a 2-2 tie, the crowd broke into a chant of "One more year!" and the Great One, No. 99, skated in the spotlight. Players of both teams left him alone on the ice, clapping their sticks against the boards in recognition of the remarkable career. The standing ovation continued for five minutes after the final buzzer, prompting an emotional Gretzky to take two curtain calls at the Corel Center.

He will likely take a few more

See GRETZKY, Page 4

For Astronomers, a Solar Triple Play

Discovery of Planet System Is Milestone in Hunt for Life-Supporting Worlds

By Kathy Sawyer
Washington Post Service

WASHINGTON — Elated astronomers have announced the discovery of the first multiplanet system ever found around a normal star other than our own, moving civilization a step closer to its ancient quest for kindred havens where life might have arisen.

The signal of three orbiting worlds emerged from 11 years of telescope observations of the star Upsilon Andromedae, which is bright enough to see with the naked eye and is at a relatively close 44 light-years (about 264 trillion miles or 425 trillion kilometers) from Earth in the constellation Andromeda.

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Vote 'Turnout' Stirs Skepticism in Algeria

By Charles Truett
Washington Post Service

ALGIERS — As expected, Abdelaziz Bouteflika won nearly three out of every four votes cast in the Algerian presidential election, according to official results announced Friday, and he will be sworn in as the sixth president of Algeria next week.

After all six of his opponents with drew on Wednesday, the day before the election, proclaiming that "an infernal machine of fraud" had poisoned the outcome, Mr. Bouteflika's victory was a foregone conclusion — and, as such, a plot on Algeria's slim democratic copy book.

Thousands of Algerians took to the streets of Algiers and at least two other cities, Tizi Ouzou and Bejaia, on Friday to protest a stolen election. They were dispersed by riot police.

Mr. Bouteflika had said he would not accept the presidency without a "large majority" of support from Algerian voters.

In a statement, Mr. Bouteflika said Friday that he had received that support.

"Despite the maneuvers aimed at disturbing voters and discrediting their choice in the eyes of international opinion," he said, "the Algerian people have made a clear choice and have democratically elected me to the presidency of the republic."

The government put the official participation rate at 60.25 percent. Journalists, diplomats and other independent witnesses at polling stations around Algeria said turnout was much lighter.

One of the withdrawn candidates put the actual participation rate at 20 percent.

Taken at face value, the official figures would suggest that more than 7 million Algerians of the 10 million who supposedly cast ballots chose Mr. Bouteflika, a 62-year-old former foreign minister who has been in self-imposed exile from Algerian politics, much of it outside the country, since 1980.

In a country where 70 percent of the population is under 30, Mr. Bouteflika's name may not have rung many bells when he entered the campaign late last year under the banner of pro-government parties.

He was persuaded by some of the country's most powerful generals, politicians and business leaders to succeed President Liamine Zeroual, who is retiring early after five difficult years of warfare nationwide with Islamic terrorists.

Borne by the machinery of the major

parties, the state and state-entwined business behind him, Mr. Bouteflika effectively refreshed his profile, casting himself as the heir to his former boss, Algeria's longest-serving and widely-revered president, Houari Boumedienne.

Speaking at scores of well-managed rallies across this country, Mr. Bouteflika painted a picture of a "time of splendor" in Algeria's brief history, 1965 to 1979, when Mr. Boumedienne and he were in charge, and Algeria was at peace and the toast of the Third World.

"When I see Bouteflika, I see the image of Boumedienne," said an Algiers law student born the year Mr. Boumedienne died. "He will restore our dignity in the world."

In the Boumedienne days, Algeria was a rapidly developing Third World economy built in some ways on the Soviet model. The hungry were few, and modern amenities were available as never before. All of this was made possible by surging oil revenues.

Born in Morocco near the Algerian border, Mr. Bouteflika was part of a legendary revolutionary commando unit headed by Mr. Boumedienne that helped



An Algerian showing enthusiasm

Friday over the election of Abdelaziz Bouteflika as president.

drive the French out of Algeria. Mr. Bouteflika, an aide at the 1962 peace settlement, at the age of 28 became foreign minister of the young nation and the face of Algeria in the world.

Algeria — through Foreign Minister Bouteflika — was a major player in the then-powerful Organization of Petroleum Exporting Countries.

Mr. Bouteflika presided over the United Nations Security Council session that invited Yasser Arafat, the Palestinian leader, to speak in 1974.

Small Parties Enjoy Crucial Role As India Confidence Vote Looms

By Celia W. Dugger
New York Times Service

NEW DELHI — For the moment, small-time politicians are kingmakers here. The year-old government, a curious amalgam of more than a dozen parties, faces a survival test Saturday in a confidence vote in Parliament.

Since the government led by the Hindu nationalist Bharatiya Janata Party lost the 18 votes of its largest partner Wednesday, and hence its majority, government and opposition leaders have been engaged in hectic horse-trading for the few votes that will make the difference between victory and defeat.

Om Prakash Chautala, whose regional Indian National Lok Dal party holds just four of the 545 seats in Parliament, said Thursday that he favored the ouster of the governing coalition. But after some heavy lobbying by Bharatiya Janata leaders, a beaming Mr. Chautala announced Friday at a packed news conference that he would support the government after all.

Late Friday, the arithmetic seemed to be favoring the incumbent government headed by Prime Minister Atal Bihari Vajpeyi. Not only did Mr. Chautala return to the fold after having deserted the coalition in February, but two other parties with nine votes between them announced their support for the government. The 13 votes gained put the government just one vote short of the survival mark, vacancies and absenteeism having reduced the number of votes required for a simple majority to 271.

The political threat to the government was set off when Jayalalitha Jayaram, the leader of a party from the state of Tamil Nadu who faces a raft of corruption charges, announced that she was withdrawing her support of the government.

Six of the votes the government gained Friday came from the Dravida Munnetra Kazhagam party of Miss Jayaram's arch-enemy in Tamil Nadu. The remaining three votes came from the National Conference, a regional party in Jammu and Kashmir state.

Miss Jayaram, who set off this political frenzy, met Thursday to talk strategy with Sonia Gandhi, president of the Congress (I) Party, the long-governing party that now dominates the opposition.

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To a Heart-Like Beat, Scientist Succeeds in Growing Pig Blood Vessels

By Holcomb B. Noble
New York Times Service

NEW YORK — Using a container built to pulse like a heart and act like a nurturing mother, a biomedical researcher has succeeded in growing blood vessels from a few cells of an animal and using them in the blood-vessel system of the same animal. The achievement raises the hope that scientists can grow human blood vessels to help treat cardiovascular disease.

Dr. Laura Niklason, an anesthesiologist and biomedical engineer at Duke University, performed the experiment as a researcher at the

Massachusetts Institute of Technology.

The work was one of a series of recent successes in a new field of medical science, tissue engineering, in which more than 25 forms of tissue have been grown in laboratories around the world — from bone, to corneas, to heart valves.

The goal is to grow replacements for diseased parts of the body for which transplants or manufactured substitutes are unavailable or rare. Only a few years ago, scientists maintained that transplants or artificial substitutes were all that could be used for such purposes.

Dr. Niklason and others cautioned that much more testing was needed before human blood

vessels could be grown. Dr. Joseph Vacanti, a professor of surgery at the Harvard Medical School, said it was possible that human clinical trials could begin in two to five years.

Dr. Timothy Gardner, a surgeon at the University of Pennsylvania Medical School and chairman of the American Heart Association's surgery council, said: "If this works out, it will be a major development in cardiovascular surgery."

Since others had failed, Dr. Niklason built a device called a bioreactor to create vessels small enough in diameter to work properly but without clotting. Dr. Vacanti said the trick lay in the creation of an environment favorable to

the growth of the blood vessel cells — one that pulsates with the rhythm of the heart, delivers a constant supply of nutrients and imitates the conditions in which mature vessels will operate.

In a report in the journal *Science*, Dr. Niklason said she took smooth muscle cells, which strengthen vessel walls, from the arteries of pigs. She placed them in thin, biodegradable plastic tubes inside what she described in an interview as a pickle jar with arms. The tubes allow nutrients in fluid contained in the jar to seep in and feed the cells. A pump delivers additional nutrients through the arms of the jar and the tubes, which stretch and contract as vessels of the body do

when blood is pushed through by a beating heart.

After eight weeks, she coated the growing vessels with endothelial cells, which are needed to prevent clogging. The fully grown arteries were then used to replace an artery in the same pigs from which cells were initially taken. The arteries lasted through a three-week trial without clotting. Narrow-diameter arteries grown in previous studies without a pulsing bioreactor clotted.

Dr. Robert Langer, whose laboratory the experiment was performed and who was a co-author of the *Science* article, said that the key to success was the "idea of using a bioreactor that beats like a heart."

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3 Hostages Freed as Army Tracks Colombian Rebels

By Anthony Faiola
Washington Post Service

BOGOTA — Colombian special forces troops have pinpointed the area where Marxist rebels are holding 32 hostages, sparking heavy fighting in the remote northern mountain region where a commercial plane carrying the hostages was hijacked Monday, government sources said.

As pressure mounted on guerrillas of the National Liberation Army, Colombia's second-largest rebel group, they released three additional hostages to the Colombian Red Cross on Thursday after setting six free on Tuesday.

Those released included infirm and elderly passengers, several women and one infant who had been aboard the Avianca Airlines flight that was hijacked by five men Monday. It was the most notorious act of terrorism in Colombia in 14 years.

Among those still held is a man believed to be an American living in Mexico, who has been identified as Daniel Osma Wolman, sources close to the rescue operation said.

The United States Embassy in Bogota refused to confirm or deny the information, citing the need for family privacy in hostage situations.

To complement its army deployment, Bogota has sent about 1,000 U.S.-trained, special police forces to the area, under the command of General Leandro Gallego, head of the government's anti-narcotics and anti-terrorism police school.

Two government soldiers and five guerrillas were killed Thursday in clashes near where the hostages are being held.

"There are clashes," Defense Minister Rodrigo Lloreda said. "We have thrown up a military cordon around the region to isolate and control the area where the victims of the kidnapping are."

A local guerrilla commander known as Alonso told the RCN radio network that fighting was continuing, adding, "The kidnap victims are in good health and they are out of the way" of the clashes, he said.

Sources close to the operation said the government was trying to avoid a confrontation with the guerrillas that could put the lives of the hostages in jeopardy.

Continued pressure may be the preferred course of action, and it could take

several days, or more, officials said, before the standoff ends.

Initially, the hijacking was believed to be the first major joint operation of the National Liberation Army, a force of about 5,000 insurgents, and the Revolutionary Armed Forces of Colombia, Colombia's largest guerrilla group, with 15,000 insurgents.

However, President Andres Pastrana issued a communiqué Thursday indicating that the hijacking had been planned and carried out only by the National Liberation Army.

Analysts said the hijacking appeared to be an attempt by the rebel group to show that it has not been totally dismantled by paramilitary troops, which have dealt the rebels severe blows in recent months.

It was also seen as an attempt to force the government to create a demilitarized zone to hold peace talks, as it has done with the larger guerrilla group.

"Peace cannot be the result of black-mail," Mr. Pastrana's statement said.

Provocateurs, Not Party, Set Off Violence, Anwar's Wife Asserts

Compiled by Our Staff From Dispatches

KUALA LUMPUR — The wife of Anwar Ibrahim, the jailed Malaysian politician, said Friday that supporters of her husband were being unfairly blamed for violence during anti-government protests.

Mr. Anwar's wife, Azizah Ismail, who heads the newly formed opposition Parti Keadilan Nasional, or National Justice Party, said she suspected the agents had been planted among the protesters to foment violence. "It doesn't mean that because someone holds the Keadilan flag or the party banner, he is a member of the party," she said.

Protests continued Friday in the capital, Kuala Lumpur, for a third day after a judge sentenced Mr. Anwar, the former deputy prime minister, to six years' imprisonment Wednesday.

A group of about 200 people shouted slogans and taunted police officers after Friday prayers at a mosque in the city center. Another protest was scheduled for later Friday in front of a police station.

Mr. Anwar has denied the charges of



Rita Vega with her 3-month-old baby, Juan, after he was released.

A Failure on Breast Cancer

Bone-Marrow Transplant Studies Don't Show Benefit

By Denise Grady
New York Times Service

NEW YORK — Major studies show that bone-marrow transplantation, a grueling procedure held out as a hope to many women with advanced breast cancer, does not prolong their survival overall.

But the medical group that announced the findings Thursday cautioned that it was still too soon to pass final judgment on the procedure.

Many patients and doctors had hoped the studies would finally determine whether it was worthwhile for women to undergo the drastic and costly treatment, which involves extremely high doses of chemotherapy. But the findings reported Thursday may instead fuel the long-standing disagreement between the procedure's advocates and its detractors, and do little to help women decide whether to undertake the treatment.

News of the research was made public in summaries of five studies, posted on the Internet Thursday by the American Society of Clinical Oncology, at www.asco.org. The studies, two from the United States and three from overseas, involved more than 2,000 patients treated at many different medical centers. The summaries of the research were part of an Internet posting of a program for the society's meeting next month.

Researchers said they were being released before the meeting because of intense interest in the studies.

They will be reported in full and debated at the meeting, and until then, researchers cautioned, the findings should be considered preliminary. They said the numbers might change as data were analyzed more fully, and the findings might be challenged by other scientists once they saw all the data.

The studies included breast cancer patients who had a poor prognosis because cancer had invaded 10 or more lymph nodes in the abdomen, or had spread even farther to organs or bones, a condition known as metastatic disease.

Four of the studies found no difference in survival between patients who had high-dose

chemotherapy with transplants, and those who had lower doses of chemotherapy. A fifth study, from South Africa, did find a benefit in patients with positive lymph nodes, suggesting that the treatment might help some women. But the oncology group issued a statement saying "it is not yet possible to draw definitive conclusions about the role of high-dose chemotherapy in breast cancer."

Dr. Allen Lichter, president of the oncology society, said that the lack of conclusive findings thus far suggested that if the procedure did eventually turn out to have a benefit, it would be small.

"The fact that you see a positive study is encouraging," Dr. Lichter said. "The fact that you see negative ones in the same population says to me that the true difference is not going to be enormous, or everybody would see it. This is not like penicillin and pneumonia, where you can't miss it."

Dr. Richard Klausner, director of the National Cancer Institute, agreed that the studies so far had not shown that high-dose therapy is better than standard treatment. But he and other researchers noted that some of the findings might change as the patients were studied longer.

Away From Politics

- A multiracial crowd of more than 10,000 people marched in New York in memory of Amadou Diallo, an African immigrant killed by police, shutting down half the Brooklyn Bridge during rush hour. (NYT)

- Americans sharply criticized newspapers in a survey that accuses the media of chasing sensationalist stories to sell papers. (AP)

- Two men who spent 12 years in prison, one of whom on death row, for rape and murder were freed in Oklahoma because DNA tests ruled both out as the killers. (AP)

- Storms that unleashed tornadoes and fierce winds in the Southeast killed at least one person and left hundreds homeless. (AP)

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Untested NATO Information Machinery Seems Baffled by What's Going On

By Craig R. Whitney
New York Times Service

BRUSSELS — In the midst of a vast bombing operation aimed at stopping Serbian attacks on hundreds of thousands of Albanian civilians in Kosovo, NATO's inability on Friday to clarify whether allied warplanes inadvertently killed civilian refugees on a road temporarily overshadowed the purpose of the air strikes.

Serbian television and radio first reported the incident Wednesday, reporting that a NATO air strike in southwestern Kosovo that afternoon had killed at least 64 Albanian civilians traveling along the road between Prizren and Djakovica.

Two days later, NATO still had not been able to get its story straight.

A command spokesman, Brigadier General Giuseppe Marani, said Friday

that a U.S. F-16 had inadvertently bombed a civilian tractor traveling with two other vehicles on another road north of Djakovica about 3 P.M. Tuesday.

But both General Marani and NATO's civilian spokesman, Jamie Shea, said they could say nothing Friday about separate air attacks in the area where the Serbs said the refugees had been killed, even though the alliance's military command two days ago had acknowledged carrying out an air strike.

Reporters from The New York Times and other newspapers were taken to the scene Thursday by Serbian authorities to see the burned and dismembered bodies of refugees and wrecked tractors and the trailers they were using to try to flee.

What's going on? Partly, it's that in the first real air war it has ever fought in 50 years of existence, NATO's civilian and military public information ma-

chinery has needed to be broken in.

Partly, civilian diplomats at the headquarters say, it is General Wesley Clark of the United States, NATO's supreme allied commander, is trying to keep personal control over everything the command says about the bombing when he has too many other things to do.

Some of early NATO statements about the bombing that caused civilian casualties are now apparently inoperative, lost in the fog between the security-obsessed Supreme Headquarters, Allied Powers Europe, the military command center in Mons, and the civilian diplomats and bureaucrats of NATO's endless corridors here in Brussels an hour away.

General Clark's headquarters, re-

sponding to horrific images broadcast by Serbian state television, issued a news release that night that said allied planes had attacked military vehicles near a highway bridge just east of Djakovica and had taken ground fire.

"We cannot confirm press reports alleging that these attacks may have caused civilian casualties, but the report of the incident will be fully investigated once all mission details have been reviewed," the command said then — standard operating procedure when military public affairs officers have to explain a disaster whose causes are not yet fully known.

But on Friday, Mr. Shea and General Marani retreated from that posture, refusing even to confirm that there had been any NATO attacks on the Prizren-

Djakovica road Wednesday. "I do not accept any blame for any other incident except the one north of Djakovica on which we briefed you yesterday," Mr. Shea said.

General Marani said: "What we know about our air attacks, we told you yesterday." In fact, General Marani's problem was that General Clark himself, busy with one of the heaviest bombing days since the start of the air operation March 24, did not yet know all the facts about the incident.

Advised to say nothing rather than add to the confusion, General Marani stonewalled, but the effect was to create the impression that the alliance knew it had done something terrible and was trying to hide it.

Mr. Shea has often found himself without much to say about the bombing. This is partly because bad weather over Kosovo has often limited air operations.

But it is also partly because military commanders believe in general that the less the civilian world knows about the tactics, intended targets and weapons of allied planes, the less able their sophisticated Serbian adversaries will be to shoot them down.

So Mr. Shea, a 45-year-old Londoner who lectures on European security affairs at eight different European and American institutions but never did military service himself, often has less to say in his briefings about what the allies did than about what the Serbs did.

Sometimes, he and his military colleagues do not seem to be reading from the same script. Mr. Shea, for instance, started off the briefing Thursday with bad news first, saying, "NATO deeply regrets the loss of life to civilians from the attack yesterday on a convoy traveling between Prizren and Djakovica."

He then turned to General Marani, who proceeded to give an extensive explanation of a completely different attack, the one on the three-vehicle group miles away north of Djakovica. That he said, was the only one NATO knew of in which civilians might have been killed.

The general also played a long tape recording of a U.S. F-16 pilot who told of circling high above Serbian ground fire at 15,000 feet for 25 minutes while Serbian forces below burned villages, picking out three dark green vehicles he thought were carrying the troops who had laid waste to the area, and then launching a laser-guided bomb at the lead vehicle and destroying it.

Military officers said the tape was intended to show that the pilot followed General Clark's admonitions to be sure it was military targets he was bombing.

General Clark has become the only authoritative military source of information on the bombing, in part because he has barred subordinate officers who plan and run the operation in Germany and Italy from giving press interviews.

The confusing NATO performance baffled the Pentagon's spokesman, Kenneth Bacon, as much as it puzzled reporters in Brussels.

"I cannot explain the NATO rendition," Mr. Bacon said late Thursday night, NATO had taken the blame for the wrong attack, he said. The pilot whose voice was on the tape recording had nothing to do with two other allied air strikes on the Prizren-Djakovica road that might have killed civilians by mistake, Pentagon officials said.

What actually happened is important, since General Clark and his commanders have been saying since the bombing started on March 24 that they were doing everything possible to avoid civilians.

Explaining what went wrong on the road to Djakovica is a test of their and the alliance's credibility. "I believe that over time, we will be able to establish the truth on this, but it may take time," Mr. Shea said Friday. "We are not going to be blown off course by side issues."

Refugee Ordeal in Hills

Villagers Hide in Cold as Serbs Loot Homes

By Karl Vick
Washington Post Service

KUKES, Albania — Pushed up the pine-covered slope of Mount Bliniste by Yugoslav troops who had seized their village soon after NATO began its air offensive against the Serbs, the people of Slatina spent the next three weeks sleeping under tractors and scrapping for food, even following stray chickens to grab eggs.

They bathed their children in cold mountain streams or spirited them downhill to sneak briefly into their own homes in the occupied village — making an evening bath a truly dangerous undertaking.

The 2,500 ethnic Albanians were usually wet, often hungry and almost always terribly afraid. But they were far from alone.

"There are thousands in the mountains," said Besnik Osmanni, a Slatina high school teacher who arrived in Albania on Monday.

Many of the 10,000 who, like him, have come across the border from Kosovo this week say the same.

Limping on feet swollen by their forced long march, many of the new arrivals tell tales of desperation laced with privation. Their haggard appearance underscores the anxiety of alliance commanders who have, nevertheless, rejected as too risky proposals to drop food from cargo planes to the besieged people still in Kosovo.

The accounts from the new arrivals also begin to answer an aching question that grew more acute during the four days when Yugoslavia kept its border

closed a week ago: If 580,000 ethnic Albanians have been driven from Kosovo by the brutal campaign of forced expulsions known as ethnic cleansing, where are the other 1.2 million?

Mr. Osmanni, who studied economics,

can answer for 15 of the 16 villages of Fushe Kosova — literally, "Plain of Kosovo" — visible from Mount Bliniste.

Seven appeared to be lifeless and the buildings in five of those had been burned. The eight other villages were still inhabited last weekend, but surrounded by Yugoslav military forces.

"I hope they can have the future of me and the others from my village — to come here to Albania, and not be killed," Mr. Osmanni said.

The risk grows with time. Arsim Maliqi, whose fellow villagers took refuge on an adjoining slope, said that about two weeks ago his encampment was visited by a messenger. The man explained that he had been sent in search of food for the 20,000 people hiding elsewhere in the Cicavica range. "In all, 20 villages," Mr. Maliqi said.

Still, the refugees said they felt safer living on the open mountainside than within range of the Yugoslav troops.

Their accounts of the violence that drove them out of their homes follows the familiar rhythm: shots in the night, orders to assemble, flames.

"They took all our men," said Resmi Faziluz, 27, of Runik in the Vitak region. "We have lived in the mountains for days."

It could be a brutal refuge. On the mountain above Slatina, people huddled under plastic sheeting during the long,

cold rains that frequently kept NATO aircraft on the ground or circling ineffectively. A 74-year-old man died while hiding with Mr. Maliqi's group. People ate unleavened bread or what could be foraged from villages where the inhabitants had stayed put.

In the mountains around a village called Izbik, Sevilde Hasmaj struggled down the mountain she climbed a week earlier; she was nine months pregnant and was afraid to give birth outdoors. Her boy was born in the village.

Residents of Slatina ventured into the village only during air strikes, which came with some frequency against the Pristina military airfield nearby. Assuming that Yugoslav forces had retreated to basements, residents scrambled down on foot, then drove back into the forest on their tractors. "It was odd to steal your own tractor," Mr. Osmanni said.

It was also a role reversal. Mr. Maliqi watched soldiers carry away his television set, refrigerator and his wife's clothes. Pointing to his eyes — the Al-

banian equivalent to "I swear to God" — he reported that a soldier had sent someone up the mountain to tell a man to bring down the keys to his car so the soldier could take it.

Refugees said they saw little evidence of the Kosovo Liberation Army, the ethnic Albanian separatist guerrillas, in the mountains. Mr. Maliqi said the two or three rebels who had visited his group came to see family members, then returned to the higher elevations preferred by the guerrillas.

From Urosevac, the bus was supposed to go on a more northern route to Prizren, through Stanije, Dule and Suva Reka, towns that refugees say have been thoroughly cleansed. But an army media minder said that NATO's bombing and attacks by the rebels around Dule had made the road unsafe, so we were redirected south, through Strpc and Brezovica, a mining town and a ski resort town in the breathtaking and still snowcapped Zegovac mountains, along the Lepenac River.

Even along this road, the number of burned-out houses is impressive, and is such a harsh contrast to the beauty of the scenery, with hardly grazing sheep in sunny green mountain pastures, as to seem almost cartoonish.

In a small cafe in Strpc, at a toilet and watering stop for the reporters, some army officers were drinking coffees and plum brandy.

Two Serbs drinking beer spoke amusingly and aggressively about Serbia's defiance of NATO bombing and demands. Their particular anger is directed at President Bill Clinton and Secretary of State Madeleine Albright. Asked what they would do if NATO troops invaded, one laughed and said, "Keep drinking beer." He paused, then continued, "And then I'd pick up a rifle."

Asked about the expulsion of ethnic Albanians, he said that no such thing had happened. Asked why the last 10 miles (16 kilometers) of road were lined with burned-out houses, one man said: "No, no, no. Not true. Just write what is true."

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Another Albanian, when asked at one of the sites of carnage near Bistrzin about ethnic cleansing, within the possible hearing of Serb authorities, shook his head.

"I'm very tired," he said, and turned away.

Survivors like Ismet Sulja, interviewed in the Prizren hospital or along the Djakovica-Prizren road, itself lined with burned-out houses, said they were not returning home, as the Yugoslav authorities said, but being moved farther from the border region with Albania and Macedonia that is their home.

From all visible evidence and all accounts, the Yugoslav army seems prepared to stay and fight a ground war, if necessary, to hold the land. This seemed another of the lessons of the ethnic Albanians who lost their lives when their column was attacked.

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EDITORIALS/OPTION

Herald Tribune

INTERNATIONAL
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Algeria's Future

A rare democratic opening has been all but slammed shut by the way elections were handled in Algeria. The loss extends beyond the failure to arrange a ballot-box exit from a civil war that has plagued the country since 1992, taken more than 75,000 lives and continues diminished but with savage result. The loss also touches a range of other Islamic countries that are in deep need of a successful model of a liberal democratic Islamic regime but are apparently not going to find one here.

Accustomed in control, the army threw out the results of reasonably fair and transparent elections in 1992 when it looked (and not only in the army) as if the vote would be won by a militant Islamic party that could not be counted on to permit fair elections the next time around. The ensuing war between authoritarian generals and fundamentalist guerrillas has frozen political life and, along with declining oil and gas prices, decimated the economy and crushed the people.

This time, an army apparently divided on the voting issue enabled the outgoing president to conduct new elections that were intended to take Algeria

— THE WASHINGTON POST.

Accident of War

The whole point of NATO's air campaign against Serbia is to stop the killing and reverse the expulsion of Kosovo's persecuted ethnic Albanians. Yet on Wednesday a NATO pilot mistakenly bombed a convoy of Kosovo refugees headed toward the Albanian border, killing 72 of them, according to Serbian figures. It was a tragic and painfully ironic accident of war. But as President Bill Clinton rightly noted Thursday, accidents are inseparable from war, and it would be a greater tragedy to slacken the bombardment or unduly restrict the military target list.

The pilot apparently mistook the refugee column for a Serbian Army convoy. He may have been misled by Serbian police vehicles that had initially been escorting the refugees. The facts still need to be sorted out. But it is good to see that, after some early confusion, NATO and the Pentagon have accepted full responsibility. American

military officials have sometimes failed to acknowledge such costly and embarrassing errors in past conflicts.

With hundreds of planes flying 24 hours a day at high speed over unfamiliar terrain and often in overcast weather, it is conceivable that Serbian civilians, and perhaps more Albanians trapped inside Kosovo, will be inadvertently killed or injured. NATO must continue to do all it can to minimize civilian deaths, but it cannot avoid them entirely. Only Slobodan Milošević can do that, by agreeing to NATO's peace terms, including a withdrawal of all Serbian forces from Kosovo, the safe return of all refugees and acceptance of an international military force to protect them.

By far the greatest threat in Kosovo's Albanians is Serbia's soldiers and police. NATO bombing is the best hope for ending that threat by forcing Serbia's withdrawal.

— THE NEW YORK TIMES.

Trade With China

Prime Minister Zhu Rongji of China did not end his visit to America this week with the trade deal he wanted, but he is likely to get it soon. Thanks in part to Mr. Zhu's energetic lobbying of businessmen as he traveled around the country, the Clinton administration will probably endorse Chinese membership in the World Trade Organization. Though other important issues continue to divide the two countries, China's commitment to lifting trade barriers qualifies it to join the WTO, and President Bill Clinton is right to try to close the deal in the days ahead.

China discovered late last year that the foreign capital it badly needs as it seeks to reform its economy was no longer arriving as it had before the foreign investors grew scared following the devaluations of several Asian currencies and Russia's default on its domestic debt. It appears that the Chinese leadership then decided to essentially accept Western terms for opening its economy enough to join the WTO, in the hope that would encourage more foreign capital to arrive.

Unfortunately both for the Chinese and the White House, that decision became clear only as pressures were growing in the United States against any accord with China. Suspicions lingering from the Clinton campaign's fund-raising among Asian donors in 1996 were intensified by revelations

that China may have stolen nuclear secrets and that the administration had been slow to act after learning of the apparent security breaches.

The administration's record on China policy, from human rights to security issues, has not been an impressive one, but that should not stop Congress from accepting this deal. More open trade between the two countries will not only benefit American business, but also has great potential for opening China to moderating influences.

The revival of the trade deal, which now seems likely to be completed soon when a team of American negotiators visits Beijing, came after a remarkable road trip through America by Mr. Zhu in which he galvanized support from American businesses that believe they will benefit from the concessions made by China. While there will be losers — the textile industry is already gearing up to fight the tentative agreement — the world economy will probably benefit.

There can be no certainty that China will live up to all its promises, particularly since it will be difficult to monitor the extent in which nontariff barriers to imports are removed. But having China a member of the WTO, and subject to its enforcement provisions if there are violations, is better than having it outside the organization.

— THE NEW YORK TIMES.

Other Comment

Venezuelan's Demands

There have been times in South America when people have turned to military leaders for economic or political salvation.

Like some predecessors, President Hugo Chávez of Venezuela is demanding ever-increasing powers and threatening to declare a state of emergency and rule by decree if they are not forthcoming. On Tuesday, he appeared on national television to announce that it would be necessary to dissolve the Su-

preme Court and Congress if extraordinary powers were not granted him.

He has cloaked his demands in a need in reform the country's oil-based economy, and if that were all he intended, the dictatorial methods he has employed so far might be justified by many Venezuelans. But when he talks of needing 10 to 14 years in office to establish his reforms, the citizens are rightfully dubious. The constitutional limit on the presidency is five years. Mr. Chávez, dangerously, wants more.

— Los Angeles Times.

Kosovo Is a Defining Moment for Europe's Future

By Javier Solana
The writer is secretary-general of NATO.

RUSSELS — We say that NATO is an alliance based on values that its member countries hold in common. But do these words carry real meaning? Slobodan Milošević forced the countries of the alliance to give an unequivocal answer to this question. We decided that values do not only have to be preached but also upheld.

That is why the allies supported the effort to achieve a diplomatic solution to the crisis in Kosovo. Indeed, the Ramboillet talks were largely the result of the patient and persistent diplomacy of allied nations. But it is also why the alliance opted to use military force against the Yugoslav security forces and the government in Belgrade once these negotiations had failed.

It was a decision we did not enter lightly, but we had to go ahead for three reasons.

First and foremost, we acted to stop the humanitarian tragedy. To stand idly by while a brutal campaign of forced deportation, torture and murder was going on in the heart of Europe would have meant declaring moral bankruptcy. Imagine the public outcry had NATO decided to just look the other way. The entire logic of turning Europe in a common political, economic and security space would have been revealed as empty rhetoric had we tolerated the barbaric ethnic cleansing on our doorstep. One of the lessons of Bosnia was that acting earlier might have been less costly in the end.

Second, all other means — political and economic — had been exhausted before we reverted to military action. Mr. Milošević's refusal to sign the systematic depopulation of Kosovo that NATO decided it could no longer postpone military action.

It would not be the first time that a regional crisis in the Balkans turned bigger and nastier. With several hundreds of thousands of refugees being driven into neighboring countries by Mr. Milošević's brutal actions, the entire region faces a serious threat of general conflict. Those neighboring countries, which themselves face political and economic problems, have long since reached the limits of their ability to cope with this exceptional burden. In short, if Belgrade's policy of deliberate displacement of the Kosovo Albanians had not been energetically opposed, even more instability and bloodshed would have been the result.

Ramboillet agreement made it clear that he had no interest in a political solution. He has tried instead to create a new ethnic reality on the ground. Any honest observer realizes that the only honest force was the only option left to stop him and, hopefully, make him reconsider.

Finally, we acted to prevent a further destabilization in the Balkans. As the UN Security Council confirmed months ago, the destabilization caused by the onslaught of Mr. Milošević's brutal security forces constitutes a threat to the entire region. No one should forget that the ethnic cleansing in Kosovo began many months before NATO launched its first strike. It was to stop Mr. Milošević from writing the final chapter in his campaign for the systematic depopulation of Kosovo that NATO decided it could no longer postpone military action.

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The bulk of our military efforts are concentrated on bringing about a lasting political solution in Kosovo. But we are also doing our best to alleviate the suffering of the victims of this crisis — the Kosovo Albanians who have been brutally expelled from their country. We will sustain and intensify our humanitarian relief operations as necessary, in support of the many other organizations working to succor the victims of Belgrade's policy.

I am aware that many inside Yugoslavia do not understand what is happening. They believe that their country is being victimized by the international community. However, NATO is not at war with Yugoslavia.

Our quarrel is not with its people but with the government, which has abused its power and has waged war against its own citizens in Kosovo.

If Serbian TV would show the same images of suffering refugees that we see night after night on our own television screens, many Serbs would undoubtedly be as outraged as people in our NATO countries, and indeed across the whole world, have been.

When this conflict is over and a political settlement is in place, the people of Yugoslavia will see better than they do today that they have entrusted their fate to a criminal political leader who in the course of 10 painful years has led his country into war, isolation and increased economic deprivation. This will be the moment when our hearts and minds must be open, to bring a democratic Yugoslavia back into the European family, where it belongs.

Kosovo is a defining moment not only for NATO but also for the kind of Europe we wish to live in. We will not enjoy peace and prosperity if we tolerate barbarism from another age.

There are moments when there is no alternative to engagement. Peace, stability and justice in the Balkans are a crucial interest of all the peoples of the Euro-Atlantic region.

Success will require patience, perseverance and the continuing unity and determination of the alliance. But let there be no doubt: Justice will prevail and ethnic cleansing will be reversed.

Global viewpoint
(Los Angeles Times Syndicate)

Between Milosevic and the West, Montenegro's Balance of Fear

PODGORICA, Yugoslavia

Last Monday, the Podgorica Vjesni newspaper reported, missiles were fired at NATO aircraft on its way to another Yugoslav target.

It said the missiles were launched by the Yugoslav Navy stationed in Bar on the Adriatic coast of Montenegro, the smaller sister of Serbia in what remains of Yugoslavia. Instead of generating the usual cheers of local support for defying NATO, this counterattack provoked a protest from the director of the port of Bar, who demanded that the navy leave. Then on Wednesday, the Yugoslav Navy imposed a ban on civilian navigation in the Adriatic, but the Montenegrin minister for maritime affairs let a commercial ship dock at Bar. To be continued.

This incident shows that NATO's all-war has had very diverse effects in the two Yugoslav republics. In Serbia it has homogenized the popula-

tion and made condemnation of

NATO's campaign equivalent to support for the Yugoslav president, Slobodan Milošević.

In Montenegro it has polarized the population, with some closing ranks behind Mr. Milošević, others uniting against him. The standoff can best be described as a balance of fear.

The pro-Western Montenegrin government of Milo Djukanovic is walking a tightrope. It opposes Belgrade's dictat; Montenegro resists the draft; the authorities do not recognize the state of war and they pooh-pooh the prospect of a union with Belarus and Russia. At the same time, President Djukanovic considers the NATO air campaign as harmful and counterproductive.

Since the air strikes began, Podgorica, the Montenegrin capital, has been the scene of many anti-NATO concerts and demonstrations that by default

were pro-Milošević. One of these evenings the scene may turn very ugly indeed.

Montenegro has a 10,000-strong police force loyal to Mr. Djukanovic, and a 15,000-strong army that can be expected to be pro-Milošević. As if these tensions were not enough, the republic is hosting about 75,000 displaced persons. These include Kosovo Albanians from the exodus last year and at least 45,000 who arrived recently, as well as Serbian refugees from Croatia who arrived in 1995. For this tiny republic of 600,000 people, such an influx represents roughly 13 percent of its population.

Until now, Montenegro has proved that it is possible for ethnic Albanians to live in Yugoslavia and participate in the country's life. They vote in elections (and many cast their ballot for Mr. Djukanovic and not for ethnic Albanian candi-

NATO's apparent strategy to spare Montenegro as much as possible as a bombing target is commendable but not sufficient. There is still a chance to preserve this one Balkan region and its ethnically mixed population from beginning another fratricidal war.

The international community should flood Montenegro with massive aid. It should be directed not only at the displaced population, but also at the entire republic, which is biding over backward to accommodate two stances that to the rest of Yugoslavia seem irreconcilable: at the same time opposing the air strikes and opposing Mr. Milošević. This aid would not only alleviate the fate of victims of ethnic cleansing, but also would be a way of establishing on Yugoslav territory a foothold for normalcy.

The writer, a special correspondent for The New Republic, reported from the Balkans from 1992 to 1998. She contributed this comment to the International Herald Tribune.

It's Yeltsin Who Keeps a Lid on Russia's Worst Instincts

NEW YORK — Last week in the West got a lesson in why we cannot live with Boris Yeltsin and why we dare not live without him.

The headlines last week were that Mr. Yeltsin was retargeting Russian missiles at the West, because of NATO's bombardment of Serbia; the Duma passed a resolution calling for arms to be shipped to Serbia; and there was even talk of World War III.

But when you looked closer at what Mr. Yeltsin was actually doing, you could see that he was putting out all sorts of smoke — to satisfy the anti-U.S. hawks in the Russian Duma — precisely so he would not have to use any fire.

Whatever aid the Russians were sending to Kosovo seemed to be going via the Arctic Circle. Prime Minister Yevgeny Primakov also used his Bolshevik credentials to keep Russia's nationalists and Communists in line, and prevent the relationship with

Thomas L. Friedman

Washington from spinning totally out of control. The Dow

would not be at 10,000 for long if the Russians were opposing NATO in Yugoslavia with more than just hot air. War in Kosovo is one thing, war in Europe is another.

This is why Boris Yeltsin is still an enormous asset for the United States. No other Russian leader today is as big a bear and as clever a fox as old Mr. Yeltsin. We will one day look back and ask, how did the United States use the Yeltsin years? Not very wisely. The Clintonites used the Yeltsin years to crumple NATO expansion down Russia's throat, rather than to really bring Russia into Europe.

Nevertheless, Mr. Yeltsin will also have to shoulder blame. He has so mismanaged economic reform in Russia — with plenty of help from the Duma — that Russia is now

Russia needs on the domestic side to rebuild the country's economic base and instill some self-confidence. Russians are now looking for dignity in all the wrong places. Russian elites are courageously maintaining a liberal democracy at home and running a Soviet-like foreign policy abroad. What is the meaning of Russian democracy when in foreign policy Russia is

weakness in order to maneuver Russia against America in the Gulf and in Europe.

This is a losing strategy for Russia. Sure, even a thriving democratic Russia will have different geopolitical interests than America. Look at France. But as much as the French like to assert their independence and weaken the United States, in the crunch they understand that if they are part of the democratic West they must stand against Mr. Saddam and Mr. Milošević.

The Russians need to understand that their influence on the world stage can only come from their acting as real mediators — not as the lawyers and advocates for thugs.

Russia will not have the self-confidence to do that, though, until it tackles its domestic problems. Until then, we will thank our lucky stars that Mr. Yeltsin is there *in situ* on the worst instinct in Russia, and keep the lid from coming off. But we will curse our bad luck that he is not a stronger visionary, able to produce a Russia that feels confident enough to have both a democratic domestic policy and democratic foreign policy.

The New York Times

tration that NATO has decided it will determine the future of Europe without Russia's help. (It is not surprising that the Russians chafe at the fact that Iceland, a NATO member, has a bigger say in Europe's future than they do.)

Because Mr. Yeltsin has not provided the leadership that

supporting two of the most evil characters on the world stage — Saddam Hussein and Slobodan Milošević?

"What the Russians don't understand," said Thomas Graham, a former U.S. diplomat in Moscow, now at the Carnegie Endowment, "is that both Saddam Hussein and Slobodan Milošević are actually using them. They are being manipulated by two-bit dictators." Both Mr. Saddam and Mr. Milošević, Mr. Graham noted, play on Russia's resentment of its

weakness in order to maneuver Russia against America in the Gulf and in Europe.

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The New York Times

want an equality with the men; but a special privilege due to their sex. The plan is to provide that from each state there shall be one national committee man and one committee woman.

1949: Irish Republic

DUBLIN — At one minute after midnight last night (April 17) Irish guns proclaimed the birth of the Republic of Ireland, free and independent of British rule for the first time in seven centuries. "I believe this historic event marks the opening of a new era for our people," Premier John A. Costello said. "The bitterness, hatred and dissensions that have poisoned the stream of Irish life for so long will be eliminated." The occasion was marred by the boycott of former Premier de Valera. Fianna Fail party, which held that there could be no republic so long as the partition of North and South of Ireland continued.

1924: Equal Politics

CHICAGO — Rumbling of reactions at the Republican national convention over the plan to place women on complete equality with men was heard in the Middle West. The charge is that the women after all do not

ART

The Print In Japan

A Century's View

By Kathryn Tolbert
International Herald Tribune

TOKYO — In a bow to Hokusai and Hiroshige, the woodblock print masters of the early 1800s, Japanese print artists are celebrating their medium and the millennium with a series called "One Hundred Views of Tokyo, Message to the 21st Century." Every year this decade 10 scenes have been added to a portfolio that now has 90 prints.

The most recent additions are on display in the Japan Print Association's huge annual exhibition at the Metropolitan Art Museum here through April 21.

While Hiroshige portrayed "One Hundred Famous Views of Edo," as Tokyo used to be called, today's artists are as inspired by the infamous in Tokyo's urban mishmash. Tetsuya Noda's contribution is a woodblock and silkscreen print of a homeless person's tent in Ueno Park, all soft grays and blues with dancing shadows.

To wander through the rest of the vast exhibition, with nearly 700 prints packed together in 14 rooms, is to be reminded that Japanese artists live in a rich, media-saturated country, open to every foreign influence, that they touch and try everything, mixing old methods and new subjects or vice versa.

There is an unusual opportunity to see this century's range of Japanese print art. The Shoto Museum in Tokyo has pulled together more than 300 prints from collectors and museums for an exhibition titled "The Birth of the Creative Print Movement" that is open until May 23.

In the early 1900s, artists began using the woodblock techniques of *ukiyo-e* for images other than Kabuki actors, courtesans, views of Mount Fuji. Kanae Yamamoto, Kogan Tobei and Koshiro Onchi were among the founders of the so-called creative print movement. It was a confusing time of rapid Western influence, with artists striving to elevate printmaking from workshop craft to fine art, a term just added to the Japanese language.

To see what Japanese printmakers are doing today, the print association's show is a good place to start. But only a start, because it is a group show. Without a theme other than membership in the country's largest and oldest print association, in one way the most that can be said is that it presents the broad middle ground, with both excellent work and a lot of repetition.

The artists themselves describe it as a place to study each other's work. The prints are not for sale. Prizes are awarded, nominees noted, and the top professors of printmaking are represented: Tadayoshi Nakabayashi's etching of matted grass and leaves in stark black and white; Fumiko Fukita's woodblock print of bursts of balls with tails of green and blue hurtling toward each other through dark space.

The last rooms include nonmembers, and that is where curators and gallery



Tadayoshi Nakabayashi in his office at the Tokyo University of Fine Arts.

owners often look for new artists. Yui Abe, owner of the Yoseido Gallery, and his assistant went back and forth through the rooms last week, looking for a new artist for the gallery, noting the similar styles of students and their professors. For a long-time print dealer, Abe can be surprisingly critical of prints as an art form. "Many print artists are more interested in technique. They are very happy to find a new technique, but the sense of art is weak," he said.

Yet for many of the artists, the physical connection between printmaking and art is personal and important. "Oil painting is soft, the paint is soft, the feeling of the brush on the canvas is soft, and that didn't fit me," said Nakabayashi, a student of the intaglio artist Tetsuro Komai and now a professor at the Tokyo University of Fine Arts. "Printmaking is a cooler medium, the materials are harder and they fit my feeling better."

PRINTMAKING is an indirect method of expression in which the process of making the print — carving wood or incising metal, pressing the paper against the block — adds to the image. This appeals to Japanese artists.

Ann Yonemura, associate curator of Japanese art for the Smithsonian Institution in Washington, said she has heard the criticism made about other media in Japan as well — traditional crafts with deep historical roots, such as lacquer and ceramics. "Technically wonderful," she said, "but the sense of a very strong idea, original design, is not as strong as it has been. I don't know if it's completely valid, but I've heard it made from time to time, sometimes by the artists themselves."

In the 1950s and 1960s, most print artists, including the internationally famous Shiko Munakata and Kiyoshi Saito, worked in woodblock because that was what they could afford in those post-

war years. Today's Japan, despite the recession, is rich. In university printmaking departments students can produce top quality silkscreens, etchings and lithographs as well as woodblock prints.

As a result, printmaking has boomed, with schools graduating hundreds of print majors each year. Most find part-time teaching jobs or work for computer graphics companies.

While there are fewer themes today from the landscapes of traditional Japan, the old arts of *suzuri* painting and calligraphy play a big role. The broad brush strokes of Toko Shinoda's lithographs reflect her early study of calligraphy. The importance of the modifier "Japanese" for print artists seems related to age. The younger artists reject it. Fumiko Miyazaki, 28, said she did not think her work had anything to do with being Japanese. "I don't necessarily criticize Japanese tradition. It has its points. But regardless of such things, I want to be myself," said Miyazaki, who recently had a show of her lithographs at the respected Shirota Gallery, an honor for a young artist.

But Nakabayashi put it this way: "When I create art, I pursue my identity. When I think about my identity, I naturally realize I am influenced by the culture or environment of Japan. Even if I try to escape, I cannot."

Many Westerners buying prints in Japan have turned to a group of American artists living in Kyoto because their themes are more Japanese than the Japanese. The Tolman Collection is featuring them April 15-18 in a show of five artists: Clifton Kahn, Brian Williams, Sarah Brayer, Daniel Kelly and Joel Stewart.

While the exchange rate has made Japanese prints at least twice as expensive as they were 20 years ago, prints by recognized artists can still be bought for a few hundred dollars and except for a few, like the copperplate printmaker Yozo Hamaguchi, top artists sell for less than \$2,000.

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The last rooms include nonmembers, and that is where curators and gallery

Fall and Rise of a Grand Palazzo

By Roderick Conway Morris
International Herald Tribune

ROME — Palazzo Barberini was bought by Maffeo Barberini two years after he ascended the papal throne as Urban VIII in 1623. During his 21-year reign he changed the face of Rome, at the same time employing the great architects of the age — Bernini, Borromini, Pietro da Cortona and Maderno — to expand the existing palazzo to make it a residence of worthy of the family's public position.

Since 1949, when it was acquired by the state, Palazzo Barberini has been the home of Rome's National Gallery. But, despite its grand accommodation, it has long been the Cinderella of the city's museums. A primary reason has been the misfortunes of the building itself. Once set in vast gardens on the outer edge of the populated part of Rome, the Palazzo has become hemmed in by more recent urbanization. The facade facing Piazza Barberini has been obscured at ground level by an ugly parade containing a cinema and restaurant.

More problematic still has been the occupation since 1934 of much of the lower part of the palazzo by the Italian Armed Forces Club. However, after almost a decade in the latest round of indecisive skirmishing, the word is that the military will evacuate the premises next year.

The restoration of much of the rest of the building, which had become visibly dilapidated, has been completed, including that of the facades giving on to Piazza Barberini and Via Quattro Fontane, and of Borromini's majestic spiral staircase.

The gallery's collection of some 1,500 pictures has been amassed since its official foundation toward the end of the last century by donation and state purchase. One of the most significant components are the 400 pieces once belonging to the banker Giovanni Torlonia, who during and after the Napoleonic era in Rome, acquired many works that aristocratic households were forced to sell to pay the exorbitant taxes



National Gallery, Palazzo Barberini

imposed by the French rulers. Another key group of pictures comes from the Monte di Pietà, which accepted art works as security against loans and ended up with a considerable collection of undetermined items.

Among the most famous works at the gallery is Raphael's portrait of his mistress, "La Fornarina".

With the period when the palazzo saw the peak of its glory, Pietro da Cortona celebrated the scene of Barberini spiritual and secular power in his huge ceiling fresco in the great hall, "The Triumph of Divine Providence," and also built a fine Baroque theater adjoining the palazzo, destroyed, alas, when a road was driven through it in 1926.

To highlight the collection of early Baroque treasures and to mark the completion of the principal external phase of restoration of the palazzo, the gallery has mounted a special hanging of holdings from this pivotal age: "Caravaggio and His Followers," which continues until May 9, after which most of the canvases will be again displayed in the permanent collection.

The gallery has major Caravaggios, notably "Judith Cutting Off the Head of Holofernes," a rare work in that it is still on its original stretcher and in its original frame. This masterpiece, which was rediscovered only in 1950, is both startlingly violent and inescapably erotic — Caravaggio having painted Judith's torso naked before covering it with the thin veil of her diaphanous blouse. Modern photographic analysis has also confirmed the attribution of Palazzo Barberini's "Narcissus" to the turbulent young genius.

The seismic effect of Caravaggio's appearance on the scene, not on only Italian artists but on many from the Low Countries and France, is extensively demonstrated. Indeed, so profound was the impact on a painter like the Provencal Triomph Bigot that his subsequent change of style at one point led scholars to propose that his works were by two different artists, putatively father and son.

Many of the names of these "Caravaggesque" artists are not well known — or even, as with the fascinating "Candlelight Master," a master for conjecture. But there are a number of memorable paintings that should certainly encourage visitors to return in the future to a collection that has languished in semi-obscenity for far too long.

Quentin Metsys's of Erasmus, and Hans Holbein's of Henry VIII, Filippo Lippi, El Greco, Caravaggio and many others are also represented by important pieces.

The gallery's collection of some 1,500 pictures has been amassed since its official foundation toward the end of the last century by donation and state purchase.

One of the gallery's particular strengths is its 60 or so pictures dating from the late 16th and first half of the 17th century, which happen to coincide

Enigmas in Their Own Time

Paris Drawings Fair Reveals the Unexpected

By Souren Melikian
International Herald Tribune

PARIS — Are we taught an art history that is pure myth with neat categories and periods — Classicism, Baroque, the Romantic Age, Impressionism, Cubism, the lot? Or was there at all times, behind trends that were very real, seething, multifaceted creativity that the artists carefully kept to themselves?

The question comes to haunt anyone who loves drawings, and the Salons du Dessin raised it with a new urgency during the five dazzling days it lasted, from April 7 to 12.

The beauty of an art fair is that it is not a systematic exhibition that takes you from point A to point Z over a carefully mapped route. At the salon, the dealers, who for the most part, are deeply involved in their field, look out for the finest drawings they are able to acquire, trying to pick out those that were preferably unpublished and unexpected for what they revealed. Many fully succeeded.

Louise Cambiaso is an enigma in art history. No one has yet explained what led this 16th-century Italian painter to handle the characters he drew (never those he painted) like robots made of cubes and other geometrical volumes. Often, they seem to anticipate the endeavors of Giorgio de Chirico in this century. What they meant to Cambiaso is not known, nor why, in some purely figural drawings such as a "Virgin and Child" displayed by the Galerie de Bayser, a sudden "Cubist" twist is given to a detail — in this case, to Mary's head. Seeing Cambiaso's drawings makes one wonder why some Cubist movement did not start then.

More seriously, similar questions spring to the mind concerning Impressionism as one gazes at some drawings of the early 19th century. Norwich school watercolors as early as 1810-1812 occasionally anticipate in small format the kind of landscape that Monet would paint in the 1870s.

Then it was the turn of a German draftsman, the marvelous Johann Georg von Dillis (1759-1841), to search for light effects and to unravel form in ways that herald the dawn of Impressionism. The shimmer of sun rays on the trunk of a big tree, the blurred impression of foliage far away in the distance, turns a sketch of the 1820s, which was shown by Arnold Lüttich of Munich, into a forerunner of Impressionism.

Expressionism seems inseparable from early 20th-century angst, with its distorted masks and ill-formed bodies. Few would think of looking beyond its cradle, Germany, around 1906-1908.

Yet consider George Romney, so stately and genteel in his portraiture of the British establishment. A darker side comes out in his astonishing pen and brown ink sketches on the edges of figural art. Agnews showed one of Romney's compositions of gesticulating, almost faceless figures who seem to be shrinking in untold terror. "Crowd Frightened by a Deluge" is the title coined by the London gallery. But that does not tell us what the source of these visions was, nor why none of them remotely relates to Romney's oil paintings.

While few artists offer such extreme contrasts between their pictures for pub-

lic display and the visions they joned down in the privacy of their studio, many give the impression that the aesthetic approach they spontaneously had was polished off to conform with a prevalent order — not imposed, but one they somehow felt was necessary.

Agnews displayed a powerful study of a man wearing a helmet, his arm raised, who is seen by a viewer situated farther down. Simon Vouet drew this sketch in black chalk heightened with white some time in the 1630s. It must have been a preparatory study for a painted ceiling. But the brisk crisscross over the drapery, the somber expression on the raised face, eyes half closed, give it a brutal energy hardly found in Vouet's murals.

IT IS NOT just through greater brevity or the spontaneous stylization of some uncontrolled stream of consciousness as in Romney's sketches that drawings project a vision differing radically from that of the pictures by the same artist.

Alexandre-Gabriel Decamps (1803-1860) who often sank into kitsch when indulging in Orientalist subjects, or in huge historical scenes, sketched some superb drawings that, however elaborate, are completely different. His portrait of a hunter seated on a boulder done in watercolor and gouache was displayed by Flavia Ormond of London.

The tension on the face, the delicate hues (mauve, grayish blues) that render the atmosphere of a late afternoon on an eminence somewhere in wooded land, are anything but kitsch.

Not only do drawings reflect a different perception of the world, but entire genres are exclusively represented by works on paper as opposed to painting. Architectural drawings form an art unto itself, which has yet to be recognized as such.

Flavia Ormond took to the salon a project for a ceiling decoration in pen and brown ink by a 16th-century artist from Verona, Bernardino India, who worked as a fresco painter for famous architects such as Palladio and Michelangelo. In his project, Venus and Cupid embracing within a medallion are treated

with a sense of fun and a lightness of touch that never crop up in his murals.

This lightheartedness recurs in several Mannerist architectural drawings, Yvonne Tan Bunzl of London showed an elaborate project, very architectural in appearance, for a gable-ended house, with figures in ancient Roman garb standing under arches, the drawing is quite serious. And yet, it is quite amusing with quizzical expressions given to the characters and the mischievous goat-headed tritons wedged in between arches.

Drawings can touch another chord when they record vanished sites and even vanished species. A rare view by Sébastien le Clerc was sold at the opening by Thomas Le Claire of Hamburg. It shows what the approaches of Paris were like in the 1630s seen "from outside the faubourg St. Martin, between the two faubourgs St. Denis and St. Martin, toward Montmartre." The ramshackle houses around two windmills convey an impression of poverty. Far away there rises a beautiful early 17th-century abbey. Little of all this conjures up the image of Paris as we know it.

Even where buildings have survived, the sites have been altered beyond recognition. Belanger's precise gouache of Molire's house as it stood at Meudon around 1780 stands on a sloping hill unpolished by its more recent additions.

Hervé Aaron, of Didier Aaron, promptly sold it at the opening.

Some natural history drawings are perhaps the most stirring of all. Nicolas Robert drew in gouache on vellum a quagga, a zebra-like creature, which he probably saw in the royal menagerie in the mid-1630s. The last of these animals, hunted to extinction for their hides after having once roamed South Africa, is known to have died in 1883. The gouache, which was displayed on the stand of Colnaghi, shows a gentle, plump creature. As an artist, Robert may have been truly naturalistic and uninventive, but here, his weakness becomes a virtue, it guarantees that the authentic appearance of one of the many creatures wiped out by man survives for us to marvel at our own folly.

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BUSINESS/FINANCE

SATURDAY-SUNDAY, APRIL 17-18, 1999

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No. 36,128

Stock Puzzler: How to Beat the S&P

Quick to Change and Weighted for Winners, Broad Index Leads

By Gretchen Morgenson
New York Times Service

NEW YORK — Why is it so difficult for professional money managers to beat the market these days? And why does it seem to be getting tougher all the time?

These are questions that investors have asked recently, with increasing distress, as they compared returns generated by their mutual funds or money managers with those of the overall market.

The benchmark that has been so maddeningly unbeatable is Standard & Poor's 500-stock index, which tracks the performance of top companies in the dominant U.S. industries.

For the 12 months that ended Jan. 31, for example, almost 70 percent of mutual funds underperformed the S&P 500.

According to Joseph Mezrich, head of the quantitative-strategy group at Morgan Stanley Dean Witter & Co., fund performance has deteriorated steadily since 1993, when almost two out of three funds beat the index.

James Paulsen, chief investment officer of Wells Capital Management in Minneapolis, makes an intriguing case that the S&P 500 may be getting harder to beat for active managers in large part

because of how its makeup has changed in recent years.

Mr. Paulsen's research shows that the index run by the investment information company has become dominated since 1994 by what he calls "new economy" stocks: health care, technology, telecommunications, financial services and consumer services. Such companies made up roughly 60 percent of the index in 1994; they made up almost 75 percent of it at the end of 1998.

At the same time, "old economy" stocks, those in energy, transportation, utilities, industrials and basic materials, make up far less of the index. Companies in these industries account for 16 percent of the index, down from almost 30 percent in 1994.

Few investors realize how much indexes change from year to year.

Their makeup shift for two reasons: the performance of included stocks and additions and deletions made by administrators.

Last year, for instance, Standard & Poor's made a record 48 changes to the 500 stocks, up from 30 changes in 1997. It added such technology companies as Gateway 2000 Inc., America Online Inc. and Compuware Corp., a software

maker. It deleted, among others, Penzoil-Quaker State; Safety-Kleen Corp., a transporter of hazardous waste; and Charming Shoppes, a clothing retailer.

Companies are dropped as they are acquired by other companies, if they encounter financial problems or when a Standard & Poor's committee decides that they are no longer representative of the overall market.

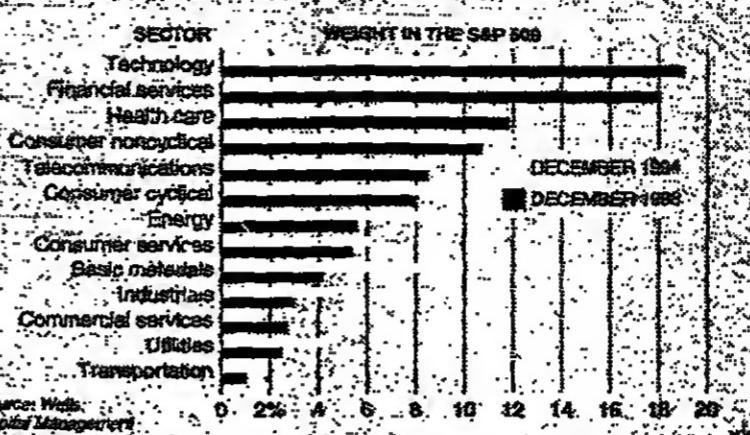
Moreover, because the S&P 500 is weighted by the market capitalization of its stocks rather than an equal distribution of companies, rising stocks inherently gain greater weight. Therefore, the index includes more and more of the stock market's stars and fewer of its duds.

The Dow Jones industrial average, by contrast, tracks just 30 companies, is more heavily loaded with old-economy stocks and changes less frequently. It is weighted by the price of the companies in it; the more that higher-priced stocks move, the greater the effect on the average. This has lagged the performance of the S&P 500 in recent years.

Given that the S&P 500 has had such a tremendous run — up 170 percent from the beginning of 1993 to the end of 1998 — a feedback effect propels more investors into it or the stocks that have

Changing With the Times

The S&P 500 has become dominated by so-called new-economy stocks, those in health care, technology, telecommunications, financial services and consumer services companies.



been most responsible for its returns.

Moreover, the index's committee is much more likely to add a hot company than one that has been cold. Recently, while the stars have been few, they have been white-hot.

Lean Modigliani, an equity strategist at Morgan Stanley, points out that just five stocks — Microsoft Corp., America Online, Citigroup Inc., MCI Worldcom

Inc. and American International Group Inc. — accounted for 52.7 percent of the S&P 500's first-quarter performance.

Even more astounding, in the first quarter the top 18 stocks accounted for all of the index's 5 percent rise. The remaining 482 stocks added nothing.

As the index has transformed itself, by

See INDEX, Page 10

A European Phone Giant In Works?

Telecom Italia Talking With Deutsche Telekom

By John Schmid
and Daniel Liefgreen
International Herald Tribune

FRANKFURT — Deutsche Telekom AG and Telecom Italia SpA, which is fighting to fend off a hostile takeover bid by Olivetti SpA, have been discussing a possible merger, a senior Italian government minister said Friday.

Finance Minister Vincenzo Visco, speaking in Dresden, confirmed reports that the two telecommunications groups were in talks, but he said a merger could present sizable "technical problems."

Because Deutsche Telekom is still controlled by the government of Germany, "it would be like selling Telecom Italia to the German government," Mr. Visco said.

Both Deutsche Telekom, Europe's biggest phone company, and Telecom Italia, Europe's fourth largest, declined to comment specifically on two newspaper reports that raised the possibility of a merger. Deutsche Telekom called them "speculation."

A combination between the German and Italian companies would radically alter the telecommunications landscape in Europe. If the alliance succeeded, the joint company would become the world's second-largest telecommunications company.

The combined German-Italian group would have a market share of about \$200 billion, second only to Nippon Telegraph & Telephone Corp., analysts said. The joint company would have annual sales of \$58.9 billion euros (\$63.1 billion) based on last year's results, and a staff of 323,300.

The merger also would threaten to break Deutsche Telekom's longstanding links to France Telecom SA, analysts said. The Franco-German telecommunications alliance forms the heart of an international consortium called Global One, which includes the U.S. carrier Sprint Corp.; that alliance might not survive an eventual combination with the Italian company, analysts said.

Both Deutsche Telekom and France Telecom on Friday reaffirmed the importance of their existing ties, which are cemented by cross-shareholdings.

Any new German-Italian venture would also cast into doubt another existing venture between Deutsche Telekom and France Telecom, begun in March, that competes directly with Telecom Italia. The French and German carriers each hold 24.5 percent stakes in that venture, with the rest held by Enel SpA, the Italian state-run energy utility.

The merger speculation erupted after The Financial Times reported that the two companies were in advanced talks, but warned that the talks faced numerous political obstacles.

Separately, the Milan daily *Il Giornale* said the two companies already had discussed the future form of a merged company. Under the plan, *Il Giornale* reported, Deutsche Telekom would control the fixed-line operations and turn its mobile phone business over to Telecom Italia Mobile, the cellular-communications arm of Telecom Italia.

A raft of political, regulatory and corporate complications could prevent the two former monopolies from moving beyond mere exploratory talks, analysts said.

Politicians are also sure to get their say. Prime Minister Massimo D'Alema of Italy called Chancellor Gerhard Schroeder on Friday to discuss the merger talks.

"Deutsche Telekom has little choice but to consider this as a possible building block in its strategy, but whether or not it goes further remains unclear," said Thilo Kutsch, industry analyst in London for Dresdner Kleinwort Benson.

European stock markets took a skeptical view of any German-Italian merger. At the close in Frankfurt on Friday, Deutsche Telekom was down 95 cents at 37.80 euros. In Milan, Telecom Italia

See PHONE, Page 11



Jill Barad said sales of the doll were up.

EU Seeks Loophole On Bananas

By Mitchell Martin
International Herald Tribune

NEW YORK — Despite adverse rulings from the World Trade Organization, the European Union will continue to favor banana imports from former French and British colonies, Sir Leon Brittan, the European Union trade commissioner, said Friday.

Sir Leon said the ruling this month from the WTO that allowed the United States to impose \$191 million of trade sanctions against the European Union found only that the EU import rules were improper but did not invalidate the concept of preferences.

"It is lawful for us to make it possible for producers in these countries to enter the EU more easily than those of other countries," he said.

He added that the commission was considering an appeal against the WTO ruling on technical grounds, but even if it did not pursue this it would seek to make its preferences conform to the trade group's regulations. "We are perfectly entitled to give aid," he said. "These are very poor countries."

The EU's favor imports from former British and French colonies such as St. Lucia, Dominica and St. Vincent in the Caribbean and Ivory Coast and Cameroon in Africa to the detriment of countries such as Ecuador, Guatemala, Honduras, Mexico, Panama, El Salvador and Nicaragua. The U.S. position reflects in part the interests of two American distributors, Chiquita Brands International Inc. and Dole Food Co.

The WTO has ruled three times that the European Union rules on banana imports were improper. The latest decision said that Europe's revised rules governing imports amounted to nothing more than a rewriting of its old regulations and an effort to avoid compliance with past WTO findings.

Sir Leon's comments Friday indicated that the EU would once again try to alter its rules.

On another trade issue involving the United States and the EU, he said the two sides were "very close" to an agreement on data privacy.

Sir Leon said the European Union was not against some measure of industry self-regulation, as opposed to strict government control on what kinds of details about consumers could be traded by companies.

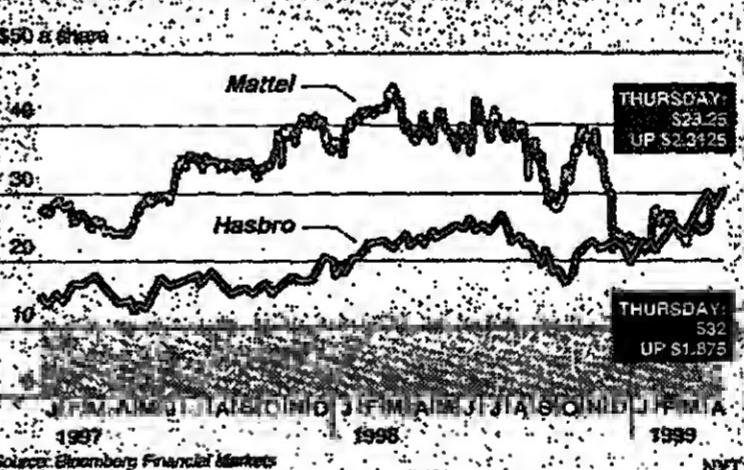
In general, he said, U.S. and EU trade positions were often aligned, especially in terms of nonmanufactured goods.

Sir Leon said, for example, that the two sides were working to reduce barriers to financial services and intellectual property protection and to make competition policy in other countries equitable.

In the case of China, with which the United States has also been locked in contentious trade talks, he said, "There is nothing that the United States has raised that isn't also a concern to us."

Toy Giants

Closing stock prices for Hasbro Inc. and Mattel Inc. since Jill Barad became Mattel's chairwoman and chief executive on Jan. 1, 1997.



Makeover at Barbie's

Mattel Sheds Jobs and Looks to the Internet

By Andrew Pollack
New York Times Service

recent days. It closed Friday at \$29 up 75 cents.

The rise was partly because its results were better than analysts had expected. It also reflected the view that the worst was behind Mattel and a frenzy by investors for any Internet-related stock.

Mattel said Thursday it would dismiss more than 3,000 of its 29,000 employees starting next week, closing some factories and offices.

The company, which has struggled with falling sales and high costs, also intends to offer many of its products electronically, along with such on-line entertainment as Hot Wheels racing and Barbie animation. It said it might sell shares in this Internet business.

The steps are the latest effort by Jill Barad, Mattel's chairwoman and chief executive, to right the company, the world's largest toymaker. Last month she reorganized management, and the company's chief operating officer left.

Mattel, known for Barbie dolls and Hot Wheels cars, on Thursday reported a loss of \$17.9 million for the first quarter, compared with a profit of \$12.7 million a year earlier. Revenue fell 2 percent, to \$692.1 million, as sales of its Tickle Me Elmo doll nearly evaporated.

Rival toymaker Hasbro Inc. reported a 77 percent gain in net income and a 38 percent rise in revenue from its stable of hot toys, which include Furby, Pokemon and the Teletubbies.

"Hasbro had a no-holds-barred great first quarter," said John Taylor, an analyst at Arcadia Investment Corp. in Portland, Oregon. "Their products have a lot more heat on them right now."

Despite reporting less-stellar numbers, Mattel stock has risen strongly in

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CURRENCY RATES

April 16 Other Dollar Values

	S	E	SF	Yen	CS	Dove	Greek	Swede	Peru	Country										
London (S)	1.6																			

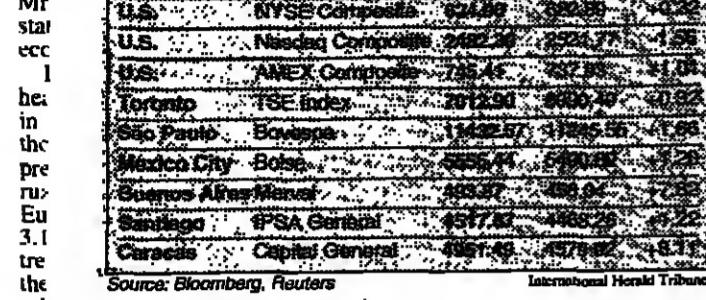
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fi**Investor's America****Bank Help Defended In Brazil**By Simon Romero
New York Times Service

SAO PAULO — The president of Brazil's central bank sought to defuse a potentially explosive congressional investigation into government support of the banking system during the nation's currency crisis in January, rejecting assertions by lawmakers that his institution acted illegally.

After conducting a three-week investigation, the central bank's president, Arminio Fraga, and its supervision director, Luiz Carlos Alvarez, told members of a Senate panel Thursday that a bailout of two small investment banks in January prevented a collapse of other banks.

The officials also said that suggestions of an insider-trading conspiracy at the central bank may have provided some financial institutions with advance tips about exchange-rate policy changes were unfounded.

"This institution acted prudently," Mr. Fraga said during testimony in Brasilia, the capital. "One only has to study the American Depression of the '30s to see what happens when the central bank fails to prevent a banking crisis."

Mr. Fraga confirmed reports that the central bank had sold dollars at below-market levels to the two firms, Banco Marca and Banca Fimae Cindam, to help them cover losses in financial derivatives.

Although such help is allowed under Brazilian law, and Mr. Fraga said it was done to limit risks in the financial system, the operations have raised questions because some executives at the banks were reported to have protected their own investments while clients lost money.

Anger over the episode, which occurred over a frantic three-day period in mid-January when the currency was devalued, led to a broad inquiry into what critics are calling the government's unacceptable lenient treatment of banks.

Several banks reported enormous profits after the devaluation, largely because they bought dollar-linked government bonds before the shift in exchange-rate policy.

Also, the devaluation, while beneficial to some banks, has resulted in a widening of the budget deficit, to roughly 14 percent of the gross domestic product in January, compared with 8 percent at the end of 1998.

In P.M. trading, the dollar fell to 117.800 yen from 118.930 Thursday. The euro fell to \$1.0703.

AP, Reuters, Bloomberg, AFX

Very briefly:

• Albemarle Corp., a U.S. chemicals company, trumped French rival Rhodia SA when it produced a £502 million (\$808 million) agreed offer for Albright & Wilson PLC of Britain. Albemarle's latest offer of 160 pence in cash for each Albright & Wilson share is 30 pence more than its originally agreed offer in March.

• Eastman Kodak Co.'s first-quarter net profit fell 15 percent to \$191 million from the year-ago period. The world's biggest photographic company said its results were affected by a one-time charge of \$68 million to cover the costs of cutting three small businesses. Revenue rose 6 percent, to \$3.1 billion.

• Aerolineas Argentinas will sign a firm contract next week to buy 12 long-haul Airbus A340 jets worth more than \$1 billion, even as economic troubles in Latin America have led at least one other carrier in try to alter commitments.

• Caterpillar Inc.'s first-quarter earnings fell 5.24 percent from a year ago, to \$205 million, because of lower Latin American sales, an unfavorable product sales mix, lower profit margins and the impact of lower production volumes on manufacturing efficiencies. Sales were \$4.87 billion, up from \$4.79 billion.

• Ford Motor Co. paid Alex Trotman a \$10 million cash bonus in his final year as chairman and chief executive of the car company. The bonus swelled Mr. Trotman's cash compensation to \$12.5 million in 1998. The comparable figure for 1997 was \$9 million. He stepped down as chairman and chief executive effective Jan. 1.

• Brazil selected Salomon Brothers, a unit of Citigroup Inc. and Morgan Stanley Dean Witter & Co. to sell its first bond abroad in a year. At least \$2 billion in two- to four-year bonds are expected to be sold in coming days.

• Delta Air Lines Inc. suspended its flying partnership with Korean Air Lines because of accidents on the Asian airline, including a crash this week of a Korean Air cargo plane in China that killed five people.

AP, Reuters, Bloomberg, AFX

U.S. STOCK MARKET DIARY**Indexes**

Friday, April 16									
Most Actives									
Open	High	Low	Last	Chg.	Vol.	High	Low	Last	Chg.
Dow Jones	10,620.15	10,619.71	10,616.41	-10,616.29	1,112	10,620.15	10,619.71	10,616.41	-10,616.29
Nasdaq	2,019.48	2,017.57	2,016.57	-2,016.25	1,243	2,019.48	2,017.57	2,016.57	-2,016.25
Standard & Poor's	1,029.23	1,028.12	1,027.02	-1,026.43	1,029.23	1,028.12	1,027.02	1,026.43	-1,026.43
AMEX	7,742.78	7,739.51	7,738.41	-7,738.14	1,428	7,742.78	7,739.51	7,738.41	-7,738.14
NYSE	6,613.15	6,612.95	6,612.51	-6,612.02	1,000	6,613.15	6,612.95	6,612.51	-6,612.02
Industrials	761.63	722.92	722.59	-722.54	2,594	761.63	722.92	722.59	-722.54
Transportation	450.63	450.24	449.75	-449.75	1,000	450.63	450.24	449.75	-449.75
Finance	147.97	145.37	145.21	-145.00	1,000	147.97	145.37	145.21	-145.00
Utilities	127.74	127.60	127.50	-127.45	1,000	127.74	127.60	127.50	-127.45
Services	101.00	100.95	100.90	-100.85	1,000	101.00	100.95	100.90	-100.85
AMEX	7,742.78	7,739.51	7,738.41	-7,738.14	1,428	7,742.78	7,739.51	7,738.41	-7,738.14
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Finance	147.97	145.37	145.21	-145.00	1,000	147.97	145.37	145.21	-145.00
Utilities	127.74	127.60	127.50	-127.45	1,000	127.74	127.60	127.50	-127.45
Services	101.00	100.95	100.90	-100.85	1,000	101.00	100.95	100.90	-100.85
AMEX	7,742.78	7,739.51	7,738.41	-7,738.14	1,428	7,742.78	7,739.51	7,738.41	-7,738.14
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Transportation	450.63	450.24	449.75	-449.75	1,000	450.63	450.24	449.75	-449.75
Finance	147.97	145.37	145.21	-145.00	1,000	147.97	145.37	145.21	-145.00
Utilities	127.74	127.60	127.50	-127.45	1,000	127.74	127.60	127.50	-127.45
Services	101.00	100.95	100.90	-100.85	1,000	101.00	100.95	100.90	-100.85
AMEX	7,742.78	7,739.51	7,738.41	-7,738.14	1,428	7,742.78	7,739.51	7,738.41	-7,738.14
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Utilities	127.74	127.60	127.50	-127.45	1,000	127.74	127.60	127.50	-127.45
Services	101.00	100.95	100.90	-100.85	1,000	101.00	100.95	100.90	-100.85
AMEX	7,742.78	7,739.51	7,738.41	-7,738.14	1,428	7,742.78	7,739.51	7,738.41	-7,738.14
NYSE	6,613.15	6,612.95	6,612.51	-6,612.02	1,000	6,613.15	6,612.95	6,612.51	-6,612.02
Industrials	761.63	722.92	722.59	-722.54	2,594	761.63	722.92	722.59	-722.54
Transportation	450.63	450.24	449.75	-449.75	1,000	450.63	450.24	449.75	-449.75
Finance	147.97	145.37	145.21	-145.00	1,000	147.97	145.37	145.21	-145.00
Utilities	127.74	127.60	127.50	-127.45	1,000	127.74	127.60	127.50	-127.45
Services	101.00	100.95	100.90	-100.85	1,000	101.00	100.95	100.90	-100.85
AMEX	7,742.78	7,739.51	7,738.41	-7,738.14	1,428	7,742.78	7,739.51	7,738.41	-7,738.14
NYSE	6,613.15	6,612.95	6,612.51	-6,612.02	1,000	6,613.15	6,612.95	6,612.51	-6,612.02
Industrials	761.63	722.92	722.59						

EUROPE

Clariant to Focus On Expansion

By Alan Cowell
New York Times Service

Basel, Switzerland — Clariant AG, the world's biggest specialty chemicals company, said Friday that it had set its sights on acquisitions.

Acquisitions will be "a core part of our strategy," the chairman, Rolf Schweizer, said after the company reported that first-quarter sales fell 8 percent to 2.17 billion Swiss francs (\$1.45 billion).

The company said it did not expect "any significant rebound" in its financial results right away.

Sales in 1998 dropped 6 percent, to 9.34 billion francs, weighed down by the strong Swiss currency and the global economic downturn.

But 1998 net profit jumped 23 percent, to 519 million francs, as profit margins improved and net financing costs fell.

In Zurich, Clariant shares closed up 24 francs, or 7.66 francs.

Clariant has a "watch list" of 23 companies with related businesses and some of these are potential targets for an acquisition, Mr. Schweizer said.

Kingfisher Will Take Over ASDA

By Alan Cowell
New York Times Service

LONDON — Kingfisher PLC, a leading British retailer, announced plans Thursday for a \$9.6 billion all-stock takeover of the supermarket chain ASDA Group PLC.

The deal would create Britain's biggest retailer by sales, with a market value of about \$28 billion, building pressure on other supermarket chains to consolidate and leap-frog ahead of more staid retailers like Marks & Spencer PLC.

The announcement, precipitated by unusually heavy trading in ASDA stock Thursday, pushed ASDA shares up by some 12 percent, but Kingfisher shares fell on disappointment that the retailer had not pursued a continental European acquisition, analysts said.

Based on Kingfisher's closing price Thursday of 875 pence (\$15.08) the proposed deal, offering 2,026 Kingfisher shares for every ASDA share, implied a 12.6 percent premium for ASDA stock, valuing it at 198 pence a share. The shares of ASDA rose 22.25 pence to 198.75 pence Friday, while Kingfisher fell 35 pence to 840.

The deal would give Kingfisher shareholders 66.33 percent of the equity in the combined company, while ASDA stockholders would control 33.67 percent.

An announcement by the two companies said Sir Geoffrey Mulcahy, chief executive of Kingfisher, would hold the same position in the new group. Allan Leighton, ASDA's chief executive, would be deputy chief executive of the new group and chief executive of its food and general merchandising division.

Kingfisher's holdings range from the B&Q home improvement business to the Woolworth variety store — once owned by a U.S. parent — Superdrug health and beauty chain and the Comet electrical goods group.

While ASDA sells mainly food and clothing and is Britain's third-largest food retailer after Tesco PLC and J. Sainsbury PLC, there are broad similarities. In recent years, both companies have been turned around by aggressive management teams. Both offer consumers relatively low-cost shopping at household-name Main Street outlets and, the companies said in a statement, "the merger would combine value-based store brands to create one of Europe's leading multi-category retailers with enhanced opportunities for growth in the U.K., Continental Europe and internationally."

Additionally, Kingfisher has embarked on an ambitious program of

acquisitions in Europe, taking stakes in Darty, a French electrical retailer; Castorama, a French home improvement chain, and companies in the Netherlands, Belgium and Germany.

Some analysts described the takeover as a defensive ploy to thwart ambitions by Wal-Mart Stores Inc. of the United States to penetrate Britain's retail market through acquisitions.

But others saw it as a reflection of pressures from increased retailing competition, a lackluster market and lagging consumer spending in Britain that have forced retailers to seek profit from mergers.

At the same time, the proposed deal was a further strand in Europe's frenzy of deal-making from telecommunications to banking and pharmaceuticals.

Kingfisher's strategic objective is to become a global, multiproduct retailer so this is adding another string to its bow," an analyst said.

The companies promised further details of the deal Monday.

The announcement had not apparently been planned until then.

But, according to Merrill Lynch & Co., ASDA's financial advisers in the deal, heavy trading in its stock that pushed prices up over the past week persuaded the company to move up the initial announcement.

First Profit In 7 Years For Grundig

Bloomberg News

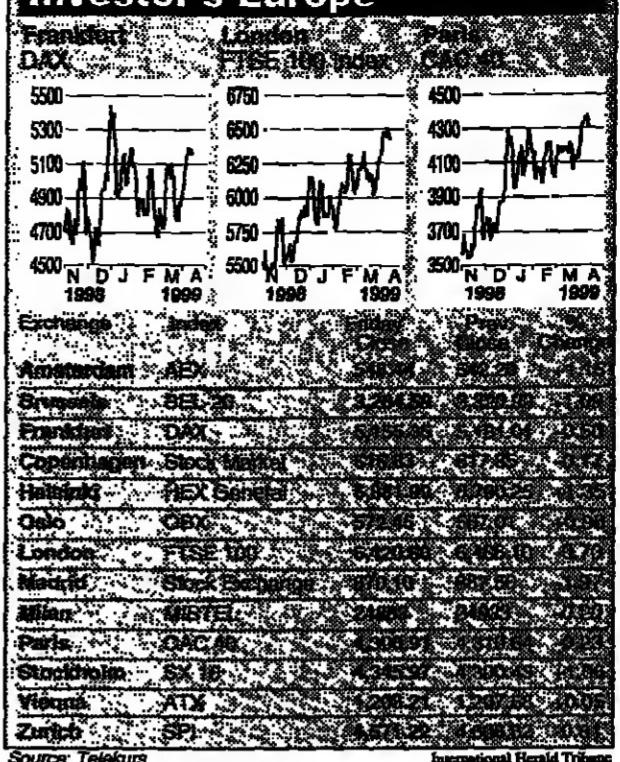
FUERTH, Germany — Grundig AG, a German television maker, said Friday it had a profit in 1998 for the first time in seven years as job cuts, shifts in production and stable management paid off.

The company earned 15.1 million Deutsche marks (\$8.3 million) in 1998 after a loss of 118 million DM the previous year. Sales fell 6 percent to 2.66 billion DM, Grundig said, with sales in Germany falling 1.2 percent to 1.1 billion DM.

"For the current year, Grundig expects a slight increase in sales and a stabilization of profit, in spite of the continually strong competitive pressure," the company said.

The company struggled to turn in a profit for most of the decade as declines in the prices of television sets and other consumer-electronics products eroded profit margins. Though Grundig's efforts to return to profitability have been hampered by management and ownership changes, the company is beginning to benefit from job cuts and the shifting of production to less costly locations.

Grundig cut 421 jobs worldwide in 1998, or 6.8 percent of its work force. In Germany alone, the company reduced its work force by 217 people, or 6.9 percent of the total 3,114.

Investor's Europe

No. 36,128

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Very briefly:

• EDF Aquitaine SA, a French energy group, will cut 800 jobs in its exploration production unit. Half of the job cuts will affect the Paris unit and the rest will be at Pau, in southwestern France.

• Germany does not expect its economy to recover soon from the current slump, but the Finance Ministry said in its economic outlook that it saw a further weakening as unlikely as well, with signs of economic recovery mixed.

• BAA PLC and Compagnie Industrielle Riunite SpA, an Italian holding company, set up a new company to bid for Italian airports. It will be called Aeroporti SpA.

• Fiat SpA's Magneti Marelli car-parts subsidiary is creating a 50-50 venture with Robert Bosch GmbH of Germany in a bid to become the world's second-largest maker of car lights.

• United Assurance Group PLC of Britain will cut 1,000 jobs in the group that collects insurance premiums door to door, by the first quarter of 2000.

Bridge News, Bloomberg

PHONE: Deutsche Telekom and Telecom Italia in Talks on a Possible Merger

Continued from Page 1

shares rose 25 cents to close at 9.38 euros.

Industry analysts said it would be natural for Telecom Italia to be seeking a "white knight" to save it from Olivetti, and that Deutsche Telekom — which is eager to ex-

pand in Europe as its profits at home are squeezed by newfound competition — would rank among the potential suitors.

Speculation over a potential white knight for Telecom Italia increased sharply after the company's chief executive, Franco Bernabe, failed to muster sufficient support

from shareholders at a recently called meeting for his defensive measures against Olivetti.

Other names that have surfaced as possible white knights include British Telecommunications PLC and Telefonica SA of Spain.

Romano Prodi, designated as the president of the European Comis-

sion, supported the ouster of a merger as long as it would be based on a "parity structure," suggesting he favored a merger of equals.

Deutsche Telekom added fuel to the speculation when its chief executive, Ron Sommer, said that the company intended to expand through acquisitions.

WORLD STOCK MARKETS

Friday, April 16

Prices in local currencies
in euros for EMU countries.

Totekes

High Low Close Prev.

Amsterdam AEX Index 482.44
www.totekes.com

ABN-AMRO 20.45 19.65 20.45 19.65

AEGON 1.33 1.30 1.33 1.30

Algemene Elektriciteitsmaatschappij 4.25 3.70 4.25 3.70

Alitalia 42.25 37.50 42.25 42.10

Alto Nivel 1.25 1.10 1.25 1.10

Anglo-Nordic 1.60 1.50 1.60 1.50

ASR-Vers. 69.00 68.90 69.00 68.90

Baileys 7.55 7.40 7.55 7.50

Banca Credito 1.25 1.20 1.25 1.20

Banca Popolare di Venezia 4.00 3.95 4.00 3.95

Banca Prisma 4.95 4.90 5.00 4.95

Banca Sanpaolo 1.25 1.20 1.25 1.20

Banca Tercero 1.25 1.20 1.25 1.20

Banca Unicredit 1.25 1.20 1.25 1.20

Banca Valsen 1.25 1.20 1.25 1.20

Banca Vontobel 1.25 1.20 1.25 1.20

NYSE

Friday's 4 P.M. Close

The 2,300 most traded stocks of the day.
Nationwide prices not reflecting late trades elsewhere.
The Associated Press.



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Continued on Page 14

ASIA/PACIFIC

Multinationals Find Opportunity Amid Asia's Slump

By Lee J. Miller
Bloomberg News

BANGKOK — Across the plains of Northern Thailand, where much of the world's rice, sugar cane and tapioca is grown, Ford Motor Co. is using techniques from heartland America to compete with Toyota Motor Corp. — and water buffalo.

Ford, which opened a \$500-million pickup-truck factory in Thailand nine months ago, is offering farmers financing with a single annual payment due at the harvest. It is the same strategy that was used by mortgage banks in the Central Plains of the United States during the Great Depression and some recessions.

Ford is among a slew of companies changing the way they do business to cater to customers in a country gripped by its worst economic downturn in a generation. Across Southeast Asia, many companies, mostly deep-pocketed multinationals, are altering the way they sell toothpaste, soft drinks and cars.

McDonald's Corp. is keeping diners coming through its doors with offers for free french fries for those who use a certain bank's automated

teller machine. Unilever NV is adjusting package sizes to better fit shrinking wallets. And Coca-Cola Co. is turning the clock back in some markets by reverting to returnable bottles.

While some foreign companies are hoping to keep manufacturing plants running while they ride out the slump, others are seizing on the recession as a time to build brands, push aside local rivals and grab market share.

"We moved very fast to change to the new consumer reality," said Niall Fitzgerald, co-chairman of Unilever, a household-goods maker. "We see it as a moment to strengthen the business when others are weakened."

Through much of the 1990s, attracting consumers in Asia was easy for many multinationals. Thais, Malaysians, Indonesians and Filipinos, flush with cash from booming economies, rushed to buy foreign-branded products that showed off their new wealth.

By 1996, Thailand was the world's second-largest market, after the United States, for both Johnnie Walker Black Label whiskey and pickup trucks. In Singapore, Mar-

cedes-Benz AG grabbed the largest market share even though a new model would set a buyer back about 200,000 Singapore dollars (\$118,100), including taxes and permits.

The currency devaluations that swept the region in late 1997 changed all of that. Thailand's per capita income plunged to about \$2,000 last year, plumped to about \$2,000 two years earlier. It was a similar story in other countries in the region, as unemployment surged and customer spending shriveled.

Many multinationals acted quickly to shift business strategy, using what they learned in other downturns, such as the collapse of many Latin American markets in the 1980s. Many Asian-owned businesses have been slower to act, analysts say, because they have never before faced such a downturn and are more likely to be cutting back on selling and advertising expenses.

Multinationals "are going out after market share; that is the only source of growth there today," said Steve Mallouk, a senior principal in Singapore for Monitor Co., which advises multinationals on their marketing in the region. That's

partly driven by "the need for people to fill their factories."

Unilever recently began selling margarine in four-kilogram (8.8-pound) tubs in Indonesia to cater to the growing number of front-yard shops that cropped up after plant closures. Those shops sell margarine to families who bring their own containers for that day's use.

The British-Dutch company is also selling more single-use packages of its Sunnis Shampoo and Pepsodent toothpaste, while cutting back on family-size boxes or tubes. Though the cost per unit may rise for consumers, many Indonesians, Thais or Malaysians simply cannot afford to buy in bulk.

Unilever says the strategies have helped it gain share in most markets, even as sales in Asia and the Pacific fell 11 percent in 1998, to \$6.44 billion. That is about 14 percent of the company's total sales of \$44.89 billion.

The stakes are high for many multinationals, who expected growth in Asia to fuel global profit. Coke generates about a quarter of sales in the Middle and Far East, where operating profit fell 7 percent last year. For Diageo PLC, which produces John

nie Walker and Smirnoff products, profit in Asia plunged 39 percent in the six months to Dec. 31.

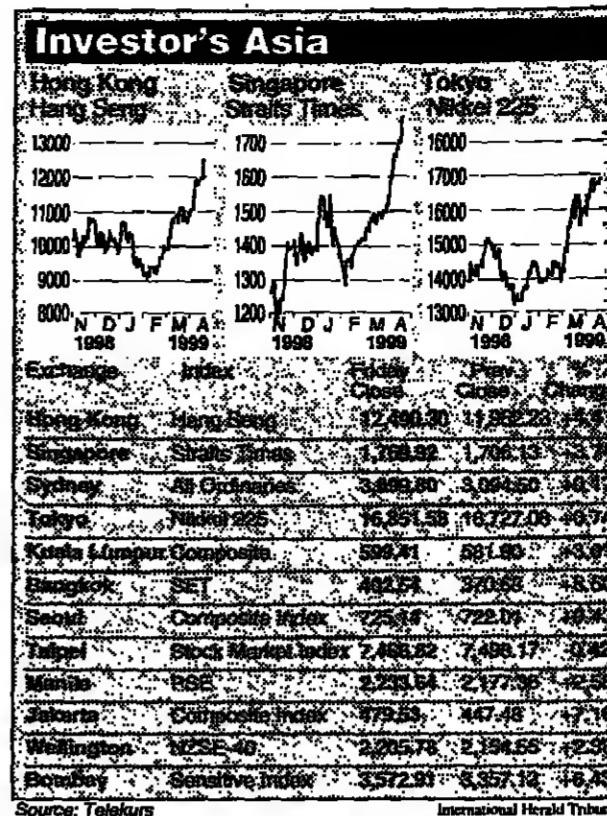
The gain for multinationals often, though not always, comes at the expense of local companies, which are struggling for financing during the region's credit crunch.

"The locals are sometimes under-capitalized," Mr. Mallouk said. "They just can't spend to gain back market share."

Gains for Coke in Singapore are hurting the Pepsi bottler Yeo Hap Seng Ltd., which also makes traditional products such as a soybean drink and wracked up a loss of 9 million Singapore dollars in 1998.

Other Asian companies facing tougher competition include the Japanese household-products maker Kao Corp., which has plants in Indonesia and Vietnam, and Permanis Sdn., a drink-maker in Malaysia that is a unit of the engineering firm Antal Holdings Bhd.

The pressure is driving some local companies to sell out. Last month, Food Processing Co. of Thailand sold its potato chip unit to PepsiCo Inc.'s Frito-Lay division after posting a 19 million baht (\$504,000) loss on sales of 400 million baht in 1998.



Source: Telkoms

International Herald Tribune

No. 36,128

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After Loss, Nissan Sets Cutbacks

By Stephanie Strom
New York Times Service

TOKYO — Nissan Motor Corp., Japan's second-largest car maker, on Friday painted a bleak picture of the financial year that just ended, matching the grim estimates already made by many analysts.

The troubled car company, which recently sold a 36.8 percent stake to Renault SA for \$5.4 billion, said losses at the parent company level had swelled to 35 billion yen (\$294 million), more than three times the 10 billion yen loss it had anticipated.

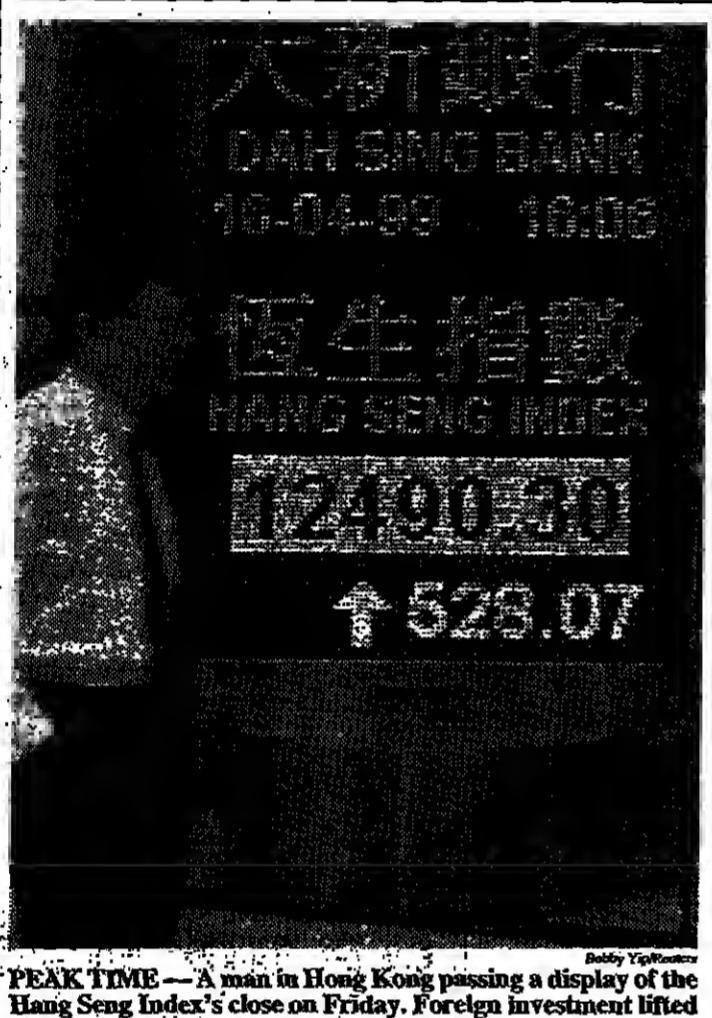
Pretax profits plunged to 15 billion yen, far below an estimate of 70 billion yen, and sales slid to 3.3 trillion yen, below the previously predicted 3.4 trillion yen.

Given a bleak sales outlook in Japan, Yoshiaki Hanawa, Nissan's president, said the company was considering decreasing production to 1.5 million units by 2003, rather than the 1.7 million that had been previously set. In cutting production, Nissan will eliminate 5,000 jobs, Agence France-Presse reported, citing company officials.

Nissan said it would eliminate the 5 yen a share dividend it had planned to distribute. It is the first time since the company's shares were listed in 1951 that it has not paid its shareholders.

Nissan released a statement saying that the new forecasts were within the range of estimates it used in completing the deal, with Nissan, which was signed on March 27.

The revised forecasts — the official results for the year that ended March 31 will not be available until May — confirmed what analysts had suspected ever since they started seeing weak sales figures for the month of March. Nissan sold 15.9 percent fewer cars than it did in the year-ago period.



PEAK TIME — A man in Hong Kong passing a display of the Hang Seng Index's close on Friday. Foreign investment lifted the index 4.41 percent to its highest close since Oct. 20, 1997.

Hong Kong Is Selling Land

Bloomberg News

HONG KONG — For the first time in almost a year, Hong Kong is poised to test demand for its most lucrative resource: land.

A successful auction on Tuesday, the first since last April, would raise about 1.21 billion Hong Kong dollars (\$156 million). Just as important, it would unlock government access to one of its main sources of revenue — not to mention helping lift property prices, which fell by more than half during the past two years.

"The government has engineered the land auction to be a success,"

said Vincent Luk, a property analyst at Bear Stearns & Co. "The sites up for auction are very good."

The government is selling three sites, two of them on Hong Kong Island and one in Kowloon. Together, they total about 28,000 square meters (300,000 square feet) of land.

Sun Hung Kai Properties Ltd., Hong Kong's second-biggest developer, will be joined at the auction by other real estate firms such as Cheung Kong (Holdings) Ltd., Hang Lung Development Ltd. and HKR International Ltd.

"We are still enthusiastic that C&W will be able to improve and increase their market position in Japan," Mr. Rayner said.

BANK: North Korea to Lose ING Barings Branch, Its Principal Conduit for International Aid Funds

Continued from Page 1

trolled banks that regard deposits as national assets and regularly refuse to issue hard currency.

"This actually may be the final straw to drive out some aid organizations," the source said.

Operational hurdles, especially regulations intended to prevent proper monitoring of aid distribution, have prompted several aid agencies to withdraw from North

Korea over the last year, and others have threatened to follow.

Relief agencies such as the World Food Program, Red Cross, United Nations Development Program and Children's Aid Direct have sent roughly \$1 million per week through the Dutch company's Pyongyang branch over the last year.

Beyond funds spent on aid, North Korea's several hundred resident foreigners must now use dollars in cash form for transactions ranging

from telephone bills and postage to meals at the handful of North Korean restaurants intended for foreigners.

Most aid agencies, resident foreigners and the few diplomatic missions in North Korea hold accounts at the ING Barings branch, which is run out of Room 418 in the drab ninth-floor Potonggang Hotel in central Pyongyang.

Since North Korea has no active foreign exchange market, exchange rates are obtained by a foreign staff member who is permitted to watch a Japanese financial news channel on one of the few televisions with access to foreign programming.

The bank, with a capital of \$2 million, is 70 percent owned by ING Barings and 30 percent owned by Korea Foreign Insurance Co., a Pyongan-controlled business.

The Pyongyang branch frequently rejected currency notes as counterfeit after they failed a three-machine

procedure to establish authenticity.

The North Korean economy, meanwhile, continues to degrade. Despite a ban on black market trading that is backed by the death penalty, a parallel exchange for the North Korean won began developing in September, the source said.

Although too small to absorb transactions of more than several hundred dollars at one time, the black market values the dollar at double the official rate of 2.1 won.

Mr. Rayner said that the

BOOKS

NIGHT MUSIC: Poems
By L.E. Sissman. Selected by Peter Davison. 140 pages. Paperback, \$14. Mariner.

Reviewed by Michael Dirda

BACK in the 1960s and '70s American poets were, in Auden's phrase, exploding like bombs — jumping off bridges (John Berryman), being run down by trucks or dune buggies (Randall Jarrell, Frank O'Hara), sticking their heads in ovens (Sylvia Plath), or dying suddenly of heart attacks in taxi cabs (Robert Lowell). One of the best, if least known members of this dying generation, was L.E. Sissman (1928-1976), an advertising exec by trade, a sometime book reviewer and an autobiographical poet of the sausian vocabulary and recondite wit. Diagnosed in his thirties with Hodgkin's disease, Sissman suffered treatment, recovered for a while, then slid back into illness and died at 46.

But he saw it coming, and before the end managed to write some poems of quite surgical sharpness about hospitals, fever dreams and mortality. As all of us must one day meet live terror face to face and lose," Sissman's every line is vivacious ("I punctuate your long body with exclamations") and often spiced with arcane lingo: "dotted," "cinerous," "sarcrylic."

"Night Music" is a selection drawn from Sissman's collected poems, "Hello, Darkness," now out of print. Being a businessman as well as a cancer patient, Sissman published only three volumes of verse in his lifetime, but the first has, arguably, the most haunting title in postwar poetry: "Dying: An Introduction." Despite his learned diction, Sissman also remains essentially a storyteller, one of great economy and clarity, even when describing lab tests or doctor visits. From all reports, he must have been a remarkable man. He certainly inspired devotion from, among many others, his ed-

itor Peter Davison and his friend John Updike, who provided a long introduction to "Innocent Bystander," a gathering of Sissman's literary and cultural essays that needs to be reissued.

If you think poetry is more than a little chi-chi or even just plain boring, you might give "Night Music" a try. It will, for instance, take you "South to anonymous liberties, where town/ Clothes come ungird and naked bankers lie/Late on the sand beside associates." Love, art, illness, death — these are Sissman's universal themes, as they should be and he writes about them with rueful brilliance.

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NOTICE OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Annual General Meeting of Shareholders of MONTEREY TRUST, SICAV will be held at its registered office, Luxembourg, 50, avenue J.F. Kennedy, Luxembourg B 7.53, on April 27, 1999 at 3.00 p.m. for the purpose of considering and voting upon the following matters:

1. Presentation of the directors' report and of the audit report.
2. To approve the statement of net assets and the statement of changes in net assets for the year ended 31 December 1998.
3. To discharge the directors with respect of their performance of duties during the year ended 31 December 1998.
4. To elect the directors and the auditor to serve until the next annual general meeting of shareholders.
5. Any other business.

The shareholders are advised that no quorum for the statutory general meeting is required and that decisions will be taken by the majority of the shares present or represented at the meeting.

In order to take part at the statutory meeting of 27 April 1999, the owners of bearer shares will have to deposit their shares five clear days before the meeting at the offices of Banque Générale du Luxembourg S.A., Luxembourg.

The Board of Directors

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DROUOT RICHELIEU

9, rue Drouot 75009 Paris - Tel.: 33 (01) 48 00 20 20

PARIS

Wednesday, April 28, 1999

Rooms 5 & 6 at 2:15 p.m., 17th, 18th & 19th century FURNITURE and WORKS OF ART - set of CLOCKS from Chateau de L'ETUDE TAJAN, 57, rue des Mathurins, 75008 Paris, Tel.: 33 (01) 53 30 30 30 - Fax: 33 (01) 53 30 30 31. Web: http://www.tajan.com - Email: tajan@worldnet.fr

Thursday, April 29, 1999

Rooms 5 & 6 at 2 p.m. AUTOGRAPHS - MANUSCRIPTS, EARLY AND MODERN BOOKS. On view by appointment at the experts' office, autographs: Mr. J. Nicolas, tel.: 33 (01) 43 26 38 71, from April 23 to April 27, from 2 p.m. to 6 p.m. books: Mr. J. Benelli, tel.: 33 (01) 46 33 73 51, from April 19 to April 23, from 11:30 a.m. to 6 p.m. ETUDE TAJAN, 37, rue des Mathurins, 75008 Paris, Tel.: 33 (01) 53 30 30 30 - Fax: 33 (01) 53 30 30 31. Web: http://www.tajan.com - Email: tajan@worldnet.fr

Friday, April 30, 1999

Rooms 5 & 6 at 2 p.m. 1830-1930 PAINTINGS - DRAWINGS - SCULPTURES. ETUDE TAJAN, 37, rue des Mathurins, 75008 Paris, Tel.: 33 (01) 53 30 30 - Fax: 33 (01) 53 30 31. Web: http://www.tajan.com - Email: tajan@worldnet.fr

ESPACE TAJAN

37, rue des Mathurins 75008 Paris, Tel.: 33 (01) 53 30 30 30

Thursday, April 29, 1999

At 6 p.m. "Arts on Paper", early, modern and contemporary DRAWINGS and PRINTS. International sale organized by Etude TAJ

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NASDAQ

Friday's 4 P.M.
The 1,000 most traded National Market securities
in terms of dollar value, updated twice a year.
The Associated Press.

NYSE

Friday's 4 P.M. Close
(Continued)

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INTERNATIONAL Herald Tribune

MONEY

SATURDAY-SUNDAY,
APRIL 17-18, 1999
PAGE 15

MONDAY:
SPORTS

Website: www.iht.com/IHT/MONEY

E-mail address: moneyrep@iht.com

No. 36,128

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Leading Equity Mutual Funds in the 1st Quarter Total percent return in U.S. dollars, Dec. 31, 1998 to March 31, 1999.

	U.S.	British	Germany	International	
Nich-App Gbl Tech	96.61	Matthews Int'l Japan; L	40.40	Orbitax R&E/Euro	167.57
Monument Internet Fund	91.86	Warr Pincus JP Smco; Crm	35.81	Investec Global Fund	72.22
Nevis Fund	58.86	GAM Brasilia	68.65	DIT Softwafonds	24.08
Van Wagoner Emerging Growth	55.84	Van Wagoner Fund	35.01	INVESSCO Japan Smaller Cos	50.14
Munder NatInst B	53.79	WWW Internet Fund	35.01	Garmore PS Japan Sm Ccs Strat	44.16
Easton Vance Grd Ind; B	32.33	WWW Internet Fund	35.01	Defender RCM Japan Special	44.17
Levington Trks Russia	30.88	Baring Peacock Fund	56.70	HSSC Japan Small Cos	41.38
Source: Lipper Inc.				Edinburgh Japan Smaller Cos A	30.23
				FAC Japanese Smaller Cos	35.92
				Henderson Japan Smaller Cos	30.50
				Silva & Prosper Japan Small Cos	25.58
				Baird Gifford Japan Sm Cos	29.03
				MAT Japan Aktion	13.09

e 10

Is a Bear Market What Happens While Investors Watch the Dow Soar?

By Conrad de Aenlle

THE SO-CALLED Y2K problem could not put a dent in the stock market, but maybe, the Dow 10,000 problem will. The breach of 10,000 on the Dow Jones industrial average last month was greeted with euphoria by investors worldwide. In the intervening weeks, however, concern was expressed about the future of closely followed indexes to close solidly above the milestone and stay there for more than a few trading sessions.

The sharp rise last week may have allayed those fears, but some investment advisers cite a more acute ailment: Many indexes tracking the broad American stock market and key industries such as transportation and utilities have been falling for six months to a year, and several European markets have yet to recapture their highs of last summer.

The indexes that have shown the greatest strength, such as the Dow industrials, the Standard & Poor's 500 and the Nasdaq Composite, are dominated by a handful of large companies that have done exceptionally well, helping weakness elsewhere.

"The fact is that most stocks are in a bear market," said James Stack, editor of the advisory newsletter, *InvestTech Mutual Fund Advisor*. "It may not look like it yet, but the overwhelming majority of Nasdaq and New York Stock Exchange stocks are nowhere near their highs, and the average equity fund is below where it was last July. All this, of course, sounds crazy in a market where eyes are only focused on the magical DJIA 10,000."

The divergence in returns has hurt shareholders in equity funds. Because managers cannot all load their portfolios with the same dozen or so standouts — although many try — their performance has badly lagged the gains in the widely reported market barometers.

American equity funds, despite a total return of 18.5 percent for the S&P 500, rose just 1.2 percent during the 12 months ended March 31, according to Lipper International, which compiles data for

The Money Report's quarterly review. The dismal breadth and the dismal returns accruing to American equity funds have captured the attention and concern of many commentators, but as a report by analysts at Morgan Stanley Dean Witter pointed out: "U.S. managers aren't alone in their misery. A similar phenomenon has been raising the hurdle for global fund managers as well."

Citing the Morgan Stanley Capital International All-Country World Index, which comprises 2,433 stocks, the analysts observe that 10 of the stocks — all of them American and seven of them in technology industries — accounted for 28 percent of the index's gain last year, and that 40 accounted for 63 percent, a top-heaviness they call "mind-boggling."

One result of the concentration of performance, Lipper's figures show, is that among five major fund markets — the United States, Britain, Germany, Switzerland and leading offshore territories such as Luxembourg and the Channel Islands — cash deposits would have been a more rewarding investment choice than the average equity fund in all but one during the 12 months ended March 31.

The exception was Germany, where equity funds rose 7.3 percent. The next best stock funds were British, with an average 12-month return of 1.8 percent.

There were 12-month losses for offshore and Swiss funds of 2.8 percent and 0.5 percent, respectively. (All returns are calculated in dollars for the sake of international comparisons.)

Bond funds performed better than stock vehicles over 12 months in all five jurisdictions, with advantages ranging from 1.5 percentage points in Germany to 6.7 points in Switzerland. The volatility in stock markets and the anxiety over economic growth that helped spawn it, especially during the market correction last fall, drove many investors into bonds.

Those concerns greatly abated in the first quarter; equity funds recovered and posted significantly greater returns than bonds. The strongest stock funds in the quarter were in Britain, with an average return of 5.2 percent. Offshore funds were next, rising 3.9 percent, and American funds were up 1.6 percent. The two Continental European fund markets showed gains of less than one percentage point.

Bond funds in four of the five locales lost money in the quarter. The culprit was an increase in long-term interest

rates, amid hope for a return of economic vitality and worry that reductions in short-term rates by central banks, especially the U.S. Federal Reserve Board, might have gone too far and stirred the long-quiescent forces of inflation.

As irony is that the one place where bond funds rose was the United States, although it was only by 0.1 percent.

European bond funds own mainly European government issues, which are most susceptible to hints of a recurrence of inflation, while American bond funds own a mix of Treasury and corporate debt. The latter, especially high-yield bonds issued by weak borrowers, is more likely than government debt to perform well amid signs of economic strength because default concerns diminish.

Offshore bond funds own some of everything, including emerging-market debt, which did well in the first quarter for the same reasons that high-yield U.S. corporate debt did. Offshore funds lost 2.9 percent, worse than American funds but better than German and Swiss funds, which each lost more than 4 percent.

British bond funds lost 2.7 percent.

They have an abundance of government debt in their portfolios, but they are more likely than continental funds to own corporate bonds, including convertibles, debt instruments that can be exchanged for the issuing company's equity.

An emphasis on corporates and convertibles helped Aberdeen Asset Management to secure two of the top four places among British-based bond funds.

Paul Reed, head of fixed interest at Aberdeen, noted that the straight corporate bonds that make up most of the two portfolios carry yields of about 9 percent, twice the level of government debt.

Much of the rest of the holdings are sterling-denominated convertibles, which yield 7 to 7.75 percent. They yield less because their convertibility into stock gives holders a greater chance to benefit from capital appreciation than most bonds offer. Mr. Reed said, though, that the companies' shares tend to be trading well below the conversion price, meaning the stocks would have to rise substantially before conversion became attractive.

The leading investment objectives of equity funds last quarter included several beaten-down markets that nobody wanted until recently, notably Japan and Latin America, as well as industries in which share prices never seem to fall,

such as technology and telecommunications. American-domiciled funds specializing in science and technology were up 17.0 percent, followed by a 16.4 percent gain in telecommunications funds.

Investments in both sectors helped a small management company in San Francisco, Van Wagoner Funds, take five places among the top 20 equity funds, with gains of 32.1 percent to 38.6 percent.

Peter Kris, Van Wagoner's managing director, explained that the success was achieved without buying the large, headline-making Internet stocks.

"We don't invest in the Amazons, the Yahoos and the E-Bays, the retail-oriented stocks," he said. "A retail investor can go on-line, buy a book and say, 'This really works well,' and go buy the stock. The retail investor often won't be oriented toward value as someone looking classically at companies on Wall Street."

Rather than compete with small investors who are buying high-profile stocks without regard to fundamental value, Van Wagoner concentrates on lesser-known companies, many involved in telecommunications infrastructure.

After a decade-long bear market, money is being put back into Japan. U.S. funds investing there rose 15.8 percent on average in the quarter, as the market leaped back to life in March. Offshore-based Japan funds rose 19.2 percent. At least four of the top 20 funds in each of the five jurisdictions specialize in Japan.

including 18 of the top 20 British funds.

There are signs "that there is real corporate restructuring" in Japan, said Conor O'Mara, co-manager of Japan funds at Dresdner RCM Global Advisors. One of his offshore-based Japan funds rose 65.6 percent in the quarter.

Some companies have embraced restructuring more wholeheartedly than others, and Mr. O'Mara credited the fund's success to being in some of those, such as Sony Corp. and Fujitsu Ltd.

Mr. O'Mara said, "consolidating everything" and taking steps to improve shareholder value. But it remains an exception, in his opinion.

"We're trying to decide if this is real restructuring because some of the companies just wanted to say something to prop up their stock prices at fiscal year-end," Mr. O'Mara said, referring to the 12-month period that ended March 31.

The industry that helped the fund most in the first quarter were services and telecommunications and technology, notably those related to the Internet. One company, Softbank Corp., has a stake in Yahoo! Inc. and its Japanese subsidiary and is "trading at a discount to its parity value, but that discount is beginning to disappear," he said.

Five of the top 20 offshore stock funds specialize in India. Indian Smaller Companies Fund, which rose 63.1 percent in the quarter, earned its returns "purely by sectoral outperformance," said Jon Thorn, the fund's manager.

Another company that has done well for the fund is BFL Software Ltd., "one of the few companies in India that has an added-value software proprietary product," he said. That distinguishes it from most Indian software firms, which make programs designed by others.

Foreign investors are again willing to bet on reform in Latin America. Despite falling sharply at the start of the quarter, after Brazil devalued its currency, the region's markets recovered and ended the period with sharp gains. The average U.S.-based equity fund investing there rose 11.6 percent, and offshore the average gain was 10.0 percent.

Eduardo Cabrera, chief Latin America strategist for Merrill Lynch & Co., said that while investing in Brazil stocks remains risky, it is likely to be rewarding.

"Sentiment has been improving in the Brazilian market for some time," he said. "We believe that the recent reduction in the benchmark overnight interest rate will help to translate better sentiment into

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When Duds Sizzle and Hot Gets Cold

THE DOWDY DOW Jones Industrial Average has suddenly turned into the hottest game in town. The Dow, of course, closed above 10,000 on March 29. That was a milestone, but it is not the real story.

From Jan. 1 through April 15, the Dow, led by utility firms like Caterpillar Inc. and Alcoa Inc., has returned 14.0 percent, in both increased prices and dividends. By contrast, the Standard & Poor's 500 Stock Index, dominated by go-go companies, has returned only about half that, 7.6 percent. From Monday through Thursday of last week, the Dow rose in every session for a total gain of 3 percent. The S&P fell in three out of four sessions, for a loss of 2 percent. The Nasdaq Composite Index, last year's champ among the major averages, fell 1.3 percent.

What's going on? It may be too early to jump to conclusions, but the market, which has been powered for so long by mega-cap, high-tech growth stocks, may be broadening. Slightly smaller companies with a value bent may be coming back.

If "rotation," as financial mavens call this phenomenon, is actually occurring, it's about time! It's also a reminder to small investors that trends don't last forever. Groups that are out of favor come back; sizzling groups cool off.

The lesson is to hold onto good companies, even when the market shuns them. Or, better yet, buy more. They will be back. An illustration of this point is that, over long periods, the returns of the Dow and the S&P are remarkably similar, even though their component parts are so different.

For the 10 years ending April 15, 1999, for example, the Dow returned an annual average of 18.35 percent, according to Bloomberg News; the S&P, 18.49 percent. But, lately, the divergence has been striking. In 1998, the Dow returned 18.1 percent while the S&P returned 28.6 percent. In 1997, the Dow returned 24.9 percent; the S&P, 33.4 percent.

While the Dow contains only 30 stocks, it is a more democratic index than both the S&P and the Nasdaq, which are dominated by techno-behemots. The S&P and Nasdaq are both weighted by market capitalization, or the value that investors place on their shares. The stocks that move the S&P are simply the largest stocks on all the exchanges.

But, of the top 15 S&P stocks, seven are not in the Dow; five are high-tech companies, including No. 1 Microsoft Corp. and No. 3 Intel Corp.; and two are drug firms. Four of the seven are the giants that move the Nasdaq: Microsoft, Intel, Cisco Systems Inc. and MCI WorldCom Inc.

The Dow is more equally weighted. Technically, the companies with the highest stock prices have the most emphasis on the index's ups and downs, but, because stocks are continually splitting their shares, the leadership rotates. The leaders right now are International Business Ma-

cines Corp., United Technologies Corp. and J.P. Morgan & Co. More important, the folks at Dow Jones & Co. who choose the

THE MONEY REPORT

BRIEFCASE

Ticker Programs
For Stocks On-Line

A recent letter from a Money Report reader addressed the problem of finding stock quotes for non-U.S.-listed companies on the Internet. There are plenty of sites that offer quotes for individual countries, but that means you have to go to numerous pages to collect data for a multinational portfolio. If only there was a program that would do that for you.

As it turns out, there are

programs that scour quote servers, which are Web sites that provide stock prices, and turn the data into tickers that run on your computer screen. Better yet, they are shareware programs, inexpensive software you can test for free.

One such program is called MacTicker, a Macintosh program from Galleon Software Inc. of Toronto. It currently allows access to quotes from Australia, Britain, France, Italy, Germany, Norway, Spain and Sweden and the North American exchanges. Galleon is planning to add Swiss and New Zealand quotes and will consider other markets, depending on user demand.

The \$25 program can provide windows with prices and other technical information on any number of stocks, but the main feature is the ticker, which scrolls across the top or bottom of the screen. It displays rising, falling and unchanged prices in different colors, and can be programmed to flash when a stock

has moved by more than a stated percent. Users can specify how frequently the quote server is checked for updates. The program took less than 10 minutes to download and install on an iMac.

MacTicker can display company names, ticker symbols, prices, daily change and daily percentage change. A Windows version is planned under a different name.

Windows users have a variety of ticker products from which to choose, but few of them carry quotes from as many international markets as MacTicker. Among the most inclusive products are Personal Stock Monitor Gold and Winstock Gold.

Downloading Personal Stock Monitor Gold 3.0, written by DTLINK Software of College Park, Maryland, was a snap, taking about 15 minutes on a 28.8 kilobit modem. Installation was even faster.

The software is almost entirely self-configuring and easily interfaces with the Netscape Navigator and Internet Explorer browsers, one of which is required to run it. MacTicker, by contrast, runs on its own, although you need a browser to look up ticker symbols if you do not know them.

Personal Stock Monitor supports more than dozen quote servers oriented toward non-U.S. stock exchanges and indexes. Countries covered include Australia, Britain, Canada, France, Germany, Hong Kong, India, Japan, Norway, Sweden, Switzerland, South Africa and Spain.

While ticker-symbol

searches are hit and miss, Personal Stock Monitor Gold 3.0 has a good enough return rate to warrant its 30-day free trial. Added benefits of this shareware include nifty e-mail and alphanumeric pager alerts that can be set to activate on spread, gain, EPS

and open interest. The full version of PSM Gold 3.0 costs \$49.95, the standard version, \$29.95.

Winstock is a promising but slightly buggy program to keep an eye on. The software's creator, Michael Goldsmith, advised prospective users to download Winstock 1.1.7 and the later Winstock Pro Version 2.7 at a combination. This is wise, even though the download takes from 30 minutes to two hours.

The installation and configuration also requires more user participation than the other programs. For the technically squeamish, the \$20 Winstock Version 1.7 (\$20) will give you fairly easy access to a dozen or so quote servers with decent search capacity for ticker symbols.

Winstock Pro (\$30), a more feature-packed version, it may require more than one installation attempt, as well as a "repair kit" sent via e-mail to get it up and running. Both versions offer quotes from Australia, Britain, Canada, the Czech Republic, France, Germany, Italy, Norway, Spain, Sweden and Switzerland.

For further information:

MAC TICKER, Telephone: 1-416-955-1777. Web site: www.galleon.com. The program is not available in the U.S. Write to Americas Inc., One Galleria, Suite 100, Mississauga, Ontario, Canada L5J 1A2. Fax: +1-905-251-1110. E-mail: info@galleon.ca.

PERSONAL STOCK MONITOR GOLD, Web site: www.dtlink.com

FOR A LIST OF STOCK AND MONEY TICKER PROGRAMS, SEE THE WEBSITE OF THE AMERICAN SOCIETY FOR COMPUTER INFORMATION SPECIALISTS AT WWW.FTICS.ORG/STOCKS/INDEX.HTML

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THE MONEY REPORT

Even Brazil Fails to Daunt Emerging Markets

By Judith Rebak

IT COULD BE sheer exhaustion but the latest crisis in emerging markets — Brazil's currency devaluation in early January — sent only a brief shudder through mutual funds that invest in these turbulent economies, as the first quarter of 1999 saw an improving outlook for the group.

The three of the four major categories of funds that invest in developing countries posted positive returns. Brazil, despite its serious problems, and Mexico, were the drivers behind a leap of 10.64 percent in Latin America funds, the best performers in the group, according to Lipper International.

Coming in second were global emerging-market equity funds, up 7.46 percent. Asia managed to squeeze out a 2.19 percent return, while only Eastern Europe slipped, by 4.22 percent.

The big story of the quarter was the astounding rebound of Brazil after its currency devaluation in early January.

The appointment of Arminio Fraga, a former fund manager for the international financier George Soros, as president of the country's central bank, started a return to confidence that has buoyed stock markets throughout Latin America. The International Monetary Fund is renegotiating its loans to Brazil and American securities firms are working to help it return to the global debt markets.

As of Friday, the Bovespa, the Sao Paulo stock market index, was up 31.85 percent in dollar terms for the year as bargain hunters rushed in.

Some strategists and money managers were impressed. At ING Barings, the "big regional call is Brazil over Mexico," said Sham Roache, Mexico's healthier economy has attracted so many investors that it is now too expensive compared to Brazil, he said. He figures that the Bovespa is trading at about 11 times earnings, compared with Mexico's Bola index at a multiple of 16.5.

There is also plenty more room for Brazil's double-digit interest rates to come down as recovery picks up, boost-

ing the stock market, while rates in Mexico may have bottomed out, Mr. Roache added. "In Mexico, a lot of good news is already priced into the market, but Brazil is cheap," he said.

Josephine Jimenez, manager of the Montgomery II Emerging Markets Focus Fund, said she liked Brazil and Mexico. Her concentrated portfolio, which can be in no more than 10 countries and 30 stocks, surged 24.10 percent in the first quarter, placing it at the top spot of 304 global emerging-markets funds. Nimble navigating her relatively small \$2 million portfolio, Ms. Jimenez was out of Latin America when Brazil devalued its real in January, then jumped back in, snapping up stocks like Petroleos Brasileiro SA, the Brazilian oil company known as Petrobras, at bargain prices.

Not everyone is rushing into Brazil, though. "We're cautious on Latin America in general," said Desmond Lachman, emerging-markets strategist for Salomon Smith Barney, noting that Brazil and Argentina are moving into recession. Even though it is more expensive, he sees Mexico as a more solid choice.

"I think Brazil will weaken again," said Douglas Polunin, portfolio manager for the Pictet TF Emerging Markets Fund. He compared the situation to Thailand, where two years ago investors rushed back in too quickly, only to see its markets plunge again.

When Mr. Polunin cut his 56 percent position in Asia recently, he reinvested elsewhere, including Turkey. "We had been looking at it for the last six months, and we had a signal in early January that rates were coming down there," he said, noting that banks and steel and petrochemical makers had done well.

Asia funds spent the quarter catching their breath after soaring 26 percent on average in the fourth quarter of 1998.

Many fund managers favor South Korea, where the economy grew 3.1 percent in the first quarter, after contracting by 5.8 percent last year, the worst in its modern history. Among other stocks, Mr. Polunin owns Korea Telecom Corp., a fixed-line and cell-phone company, and Shinsegae Department Store Co., whose results should improve with the economy.

A more daring bet is his 11 percent stake in Indonesia, where coming elections and a host of problems have scared

away many investors. Mr. Polunin stresses the elections are the country's first democratic vote in 30 years and noted that many of Indonesia's troubled banks had either been closed or were restructuring, often under the aegis of new, outside shareholders.

Prime victims of the emerging-markets storms in the first quarter were funds concentrating on Central and Eastern Europe. When they had recovered from fears that Russia's problems would damage them, a new round of worries was set off by slowing economies in Western Europe, Hungary and Poland, the two favorites, are heavily dependent on exports to their neighbors, especially Germany, where demand is slackening.

To compensate for reduced export income, Mr. Roache said he expected Poland and Hungary to keep interest rates high, a good environment for short-term bank deposits and bonds.

Not that it was impossible to make money in emerging Europe. Orbiter Russia and East European Fund rocketed 16.8 percent in the quarter by being out of Moscow entirely ahead of the Russian default in August. Robin Geffen, the portfolio manager, instead shopped in less-traveled markets such as Croatia

and Slovenia, where he arbitrated between locally listed shares of two companies and their global deposit receipts listed elsewhere. He also found a straight-out winner in Eesti Telekom AS, the Estonian telecommunications company. "This region has a lot of opportunities for the nimble investor," he said.

Looking ahead, Ms. Jimenez and Mr. Polunin were cheered by rallying commodity prices, an important source of income for many developing economies. The price of a barrel of crude oil moved up to 16.88 on Thursday from around \$12.50 in late February, prompting Mr. Polunin to take small positions in Russian companies such as OAO Lukoil Holding and OAO Gazprom in Russia. About 20 percent of Ms. Jimenez's portfolio is in basic-materials companies, including Aracruz Celulose SA, the Brazilian paper and pulp producer, Cemex SA, the Mexican cement maker, and Anglo-American Platinum Corp. in South Africa.

For further information, call:

MONTGOMERY II EMERGING MARKETS FOCUS FUND, 415 248 6000, or, toll-free in the United States, 1 800 321 2000; ORBITER RUSSIA & EASTERN EUROPE FUND, 44 171 572 1551; PICTET TF EMERGING MARKETS FUND, 44 171 572 6000.

Bad Times for Equity Funds

Continued from Page 15

stronger macroeconomic fundamentals. In particular, we think that interest rates and inflation are headed lower and that the value of the real is headed higher. We suggest that investors add to positions in liquid Brazilian stocks and in interest-rate-sensitive sectors such as telecoms, electric utilities and banks."

Several of the best offshore stock funds, and several bond funds too, target Russia, another market that has taken a thrashing. But Roger Monson, head of emerging-market strategy for Rabobank of the Netherlands, placed the strong quarter in the context of the bleak times that preceded it and warned investors that the advantage might not be sustainable.

"The Russian investment climate has moved from clinically dead to intensive care," he added, "but is by no means safe or established for sustainable

growth. Anything from a further currency collapse to nationalization to civil war is conceivable — a place custom-made for the phrase caveat emptor."

The poorest performers among American funds, with an average loss of 6.0 percent in the quarter, target small companies, a reflection of the narrow market breadth. Exceptions were funds that invest in small technology companies, such as the Van Wagoner funds.

Byron Wien, a strategist at Morgan Stanley Dean Witter said: "I can find no case in history where an extremely narrow market has not ended badly. No wonder so many portfolio managers are having a difficult time again this year."

For further information, call:

ABERDEEN ASSET MANAGEMENT, 44 171 463 6000; ASIA PACIFIC SECURITIES CORP. (For the India Smaller Companies Fund), 44 171 593 1320; DREDNER ROM, 44 171 475 6600; VAN WAGONER FUNDS, toll-free in the United States, 1 800 238 2131; Fax 415 877 1142.

Source: Lipper Inc.

Emerging-Market Funds

to Dec. 31, 1998

Fund	Domestic	First Quarter	1-Year	Assets Under Management
	city	Return (%)	Return (%)	\$ millions
Global Emerging Market Funds				
Leaders				
MONTGOMERY II EMERGING MARKETS FOCUS FUND	(US)	24.10	-14.04	1.2
WILBUR PLINTH EMERGING MARKETS FUND	(US)	19.57	-0.4	0.4
BT INSTITUTIONAL EMERGING EQUITY FUND	(US)	17.58	n/a	0.1
GE INSTITUTIONAL EMERGING MARKETS INC	(US)	16.93	-14.48	0.1
DREYFUS PREMIUM EMERGING MARKETS	(US)	15.93	-26.40	0.3
Champions Emerging Markets				
WILBUR PLINTH EMERGING MARKETS FUND	(US)	5.24	39.02	4.6
WEALTH FUNDS INSTITUTE EMERGING MARKETS FUND	(US)	2.38	32.62	4.7
FI DEVELOPING MARKETS	(US)	1.57	8.84	1.6
KEY BMC EMERGING VALUE FUND	(US)	1.34	33.92	51.8
IVY DEVELOPING NATIONS	(US)	1.17	22.95	n/a
Average of 324 Funds		7.46	25.22	72.4
Asia (ex-Japan)				
Leaders				
EAST VANCE GREATER INDUSTRIAL FUND	(US)	32.53	15.36	0.8
ROY GEORGE ASIAN SMALLER COMPANIES FUND	(US)	14.88	0.64	20.4
SWISS CAPITAL ASIAN EQUITY FUND	(SF)	13.88	-3.63	0.1
FORUM ASIAN STOCKS	(DM)	11.73	12.47	7.3
Legends				
CHAMPIONS EMERGING MARKETS	(US)	5.24	39.02	4.6
WEALTH FUNDS INSTITUTE EMERGING MARKETS FUND	(US)	2.38	32.62	4.7
FI DEVELOPING MARKETS	(US)	1.57	8.84	1.6
KEY BMC EMERGING VALUE FUND	(US)	1.34	33.92	51.8
IVY DEVELOPING NATIONS	(US)	1.17	22.95	n/a
Average of 324 Funds		7.46	25.22	72.4
Latin America Funds				
Leaders				
WEBB MEXICO	(US)	28.47	-10.54	12.3
BT INVESTMENT LATIN AMERICA	(US)	27.48	-23.51	0.1
BT SELECT MARKET LATIN AMERICA	(US)	26.22	-26.37	4.0
WEIGHT EQUITY LATIN AMERICA	(US)	24.32	-16.25	9.1
NICHOLAS ALLEGRA LATIN AMERICA	(US)	22.46	-15.76	0.9
Legends				
EMERGING MARKETS LATIN AMERICAN GENESIS FUND	(JY)	8.30	47.34	1.9
LOG MASON GLOBAL MERGER EQUITIES FUND	(GU)	7.05	-41.68	33.4
LAZARUS FUND ACQUISITION FUND	(AR)	1.51	-40.04	0.8
OLD MUTUAL LATIN AMERICA COS. TRUST	(GU)	1.26	-39.80	6.3
Average of 132 Latin America Funds		10.54	-33.43	28.2
Eastern European Funds				
Leaders				
ORBIER RUSSIA & EAST EUROPEAN FUND	(SP)	167.57	135.18*	n/a
LEONARD TAIKU PRIZE FUND	(US)	20.68	74.87	22.5
WORLD FUNDS THAILAND FUND	(US)	24.35	n/a	0.5
AKG CENTRAL & EAST EUROPE GROWTH FUND	(US)	12.41	-21.08	7.1
MANULIFE EMERGING EAST EUROPEAN FUND	(JY)	7.91	-30.45	2.8
Legends				
F.I.T. CZECH INVESTMENT FUND	(US)	26.62	-37.98	8.0
BBL DYNAMIC CZECH FUND	(US)	18.35	-35.07	1.6
ACM/MSA CZECH EQUITIES FUND	(US)	17.71	-43.71	0.1
DIT DRESDNER GLOBAL STYLÉ EAST EUROPE FUND	(GU)	13.88	-29.33	76.3
CARING & EAST EUROPE FUND	(GU)	4.22	-37.54	28.1

Key to countries: AD Australia, AF Argentina, ED Bangladesh, BH Bahrain, BR Brazil, BY Belarus, BV British Virgin Islands, CY Cyprus, DK Denmark, DO Dominican Republic, EC Ecuador, GR Greece, HK Hong Kong, IL Israel, IM Indonesia, IL Italy, JP Japan, KW Kuwait, LI Libya, MT Malta, MU Mauritius, NL Netherlands, NZ New Zealand, SG Singapore, SP Spain, TW Taiwan, US United States, UK United Kingdom, VN Vietnam, ZA South Africa.

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††Key to countries: AD Australia, AF Argentina, ED Bangladesh

Herald Tribune

INTERNATIONAL

SPORTS

SATURDAY-SUNDAY, APRIL 17-18, 1999

WORLD ROUNDUP

Bombs Won't Stop Belgrade Marathon

Despite the NATO bombing in Yugoslavia, the 12th Belgrade Marathon is still scheduled to take place Saturday.

About 30 runners — including some from NATO countries — will run the full 26-mile, 385-yard (42-kilometer) distance. Organizers have arranged that those who finish will symbolically cross the line together in a time of around 3 hours and 15 minutes.

The International Amateur Athletic Federation said the race was being dedicated to Fred Lebow, the late American founder of the New York Marathon. In addition, an estimated 100,000 people are expected to join in a 5-kilometer "fun run." (AP)

Pakistan Prevails

CRICKET The veteran skipper Wasim Akram led superbly Friday to see Pakistan outrace India by eight wickets in a low-scoring final and win the Coca-Cola Cup at Sharjah Stadium in Sharjah, United Arab Emirates.

Akram shattered the Indian innings with two wickets in his opening over, before finishing with 3 for 11 from eight overs as India was shot out for 125 in 45 overs. (AP)

2d Duke Player Leaves

BASKETBALL Against the wishes of Coach Mike Kryzewski, the Duke University guard William Avery has joined his teammate, Elton Brand, in deciding to leave college two years early in order to enter the National Basketball Association draft this summer. (AP)

Mexico Sinks Argentina as Upsets Rule Youth Cup

Compiled by Our Staff Dispatchers

LAGOS — Mexico and Mali advanced to the quarterfinals of the Youth World Cup with upset victories.

Mexico pushed aside Argentina, the two-time defending champion, on Thursday with surprising ease while Mali capped an unlikely rally against

SOCER ROUNDUP

Cameroon with the first golden goal of the Cup.

The tournament, for players 20 years of age and younger, is being held at various sites throughout Nigeria.

Luciano Galletti of Argentina opened the scoring in the 41st minute of Mexico's 4-1 rout in Ibadan that allowed the winners to advance to a final-round Sunday against Japan, which edged Portugal, 5-4, on penalty kicks after a 1-1 draw. Galletti's goal came on a header following a pass from Carlos Roldan.

Daniel Osorno tied it for Mexico in the 52d minute on a diving header, and Eduardo Rodriguez headed in another three minutes later. Juan Pablo Rodriguez and Luis Ignacio Gonzalez also scored.

Mahamadou Dissa's winning goal in sudden-death overtime, known as a golden goal, gave Mali a thrilling 5-4 victory over Cameroon to set up an all-African quarterfinal clash with Nigeria.

Villa Park's head of security, John Hood, a former police superintendent, said Manchester United should call its fans to task after 17 were arrested and 13 injured in on-field skirmishes following Ryan Giggs' injury-time winning goal Wednesday.

The Football Association said Friday that it was investigating the invasion of the pitch by 700 fans.

FRANCE Marseille overcame the handicap of being forced to play in Mont-

pellier to demolish Nancy, 4-0, on Thursday and reclaim the top spot in the French first division.

Marseille, banned from playing in its own Velodrome stadium because of recent crowd trouble, had to win to take over from Girondins Bordeaux, which was held to a scoreless draw at home by Lorient on Wednesday.

SPAIN Real Madrid is ready to snap up soccer's player of the year, Zinedine Zidane, if he quits Juventus, Real's parent, Lorenzo Sanz, said Friday.

"We would love to have Zidane," Sanz said.

Real's coach, John Toshack, has already said that there could be a housecleaning after what has been disastrous season for the Spanish team.

Zidane said Thursday he was not happy in Turin and wanted to move to Barcelona, Real Madrid or Atletico Madrid when he eventually parts company with the Italian champions. (AFP, AP, Reuters)

Biting Commentary

The Chelsea captain, Dennis Wise, will face a UEFA disciplinary hearing Monday after allegedly biting Real Madrid's Elana Marcellino in a European Cup Winners' Cup first-leg semifinal at Stamford Bridge on April 8. The Associated Press reported from London.

Wise, who was informed Friday of the hearing, has denied he bit the Maltese defender during a second-half tussle in the 1-1 draw.

The referee did not spot the incident and Marcellino did not lodge a complaint, but European soccer's governing body opted to go ahead with the hearing after what has been disastrous season for the Spanish team.

"I didn't bite him," Wise said Friday after being asked to submit a written statement for the hearing. "The TV showed me gesturing to bite him and obviously everyone has jumped on the bandwagon and said that I bit him."

Bjorkman Advances in 3-Set Upset

The Associated Press

TOKYO — Eighth-seeded Jonas Bjorkman of Sweden pounded out a 3-6, 7-5, 6-1 victory over the top seed and former champion Richard Krajicek of the Netherlands on Friday to advance to the semifinals of the Japan Open.

Bjorkman's opponent Saturday will be the fifth-seeded Nicholas Kiefer of Germany, who rallied to upset the third-seeded Thomas Enqvist of Sweden, 6-7 (5-7), 7-5, 6-4. Krajicek, who won here in 1997, acknowledged that Bjorkman was good at the net, and said, "I should come to the net more often and ahead of him."

Also advancing to the round of four were the fourth-seeded Thomas Johansson of Sweden, a 6-1, 6-4 winner over the unseeded Sebastian Lareau of Canada — and the No. 7 seed, Wayne Ferreira of South Africa, who eliminated the unseeded Kenneth Carlsen of Denmark, 3-6, 6-2, 6-3.

In the women's singles, the defending champion, Ai Sugiyama of Japan, defeated unseeded Janet Lee of Taiwan, 6-4, 6-0 in the quarterfinals. Sugiyama's semifinal opponent will be the No. 7 seed, Jane Chi of the United States, who defeated the unseeded Sandra Klemonova of the Czech Republic 6-2, 3-0 (retired).

Costa Eliminates Rios

Albert Costa of Spain, winner of the Estoril Open last week, beat Marcelo Rios of Chile, 6-4, 6-1, in 51 minutes Friday at the Barcelona Open. Costa went ahead early, breaking Rios' serve in the third game of the first set, and looked strong throughout the match.

Members of the Japanese Youth World Cup team celebrating in Bauchi, Nigeria after beating Portugal.

David Guttenberg/The Associated Press

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

EAST DIVISION

WEST DIVISION

CENTRAL DIVISION

NATIONAL LEAGUE

EAST DIVISION

WEST DIVISION

CENTRAL DIVISION

MAJOR LEAGUE STANDINGS

NATIONAL LEAGUE

EAST DIVISION

WEST DIVISION

CENTRAL DIVISION

NATIONAL LEAGUE

EAST DIVISION

WEST DIVISION

CENTRAL DIVISION

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Houston 5 4 .558 4
Pittsburgh 5 4 .558 4
Milwaukee 4 5 .444 1 1/2
Chicago 3 5 .375 3
Cincinnati 3 5 .375 3

San Francisco 7 3 .700 —
Los Angeles 6 4 .400 1
San Diego 5 5 .444 2 1/2
Arizona 4 6 .400 3
Colorado 3 5 .375 3

Seattle 3 6 .333 4

Atlanta 10 6 .500 1

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SPORTS

Belle Lofts 2 Off Clemens As Orioles Top Yanks, 9-7

By Murray Chass
New York Times Service

NEW YORK — Mike Mussina and Cal Ripken, who have 25 years of major-league experience between them, tried to help another veteran put his name in the record books at Yankee Stadium. But Roger Clemens would have none of it. Despite the New York Yankees' seven-run spree Thursday night against Mussina, who was hurt by Ripken's shoddy defensive play, Clemens was

the first three innings, delivered a double knockout blow to Clemens, the five-time Cy Young award winner. With no one out in the fourth, Will Clark and Albert Belle, who had already slugged a first-inning home run for the first two runs, whacked successive home runs in the space of three pitches.

In other games, reported by The Associated Press:

America's 12, Athletics 4 In Oakland, Tim Salmon homered twice, including a grand slam, and drove in a career-high six runs.

White Sox 4, Red Sox 0 In Boston, John Smoltz allowed two hits in six innings as Chicago ended a five-game losing streak.

Brewers 9, Expos 4 Mark Loretta hit a two-run homer and drove in four runs for the Brewers, who recovered after allowing an early four-run lead at Montreal.

Giants 5, Astros 2 In San Francisco, Barry Bonds had an RBI double and Chris Brock allowed two runs in 6½ innings as the Giants avoided a three-game sweep.

Marlins 11, Mets 4 In New York, Mark Kotsay drove in three runs as Florida snapped its four-game losing streak and ended the Mets' winning streak at five.

Blue Jays 11, Devil Rays 4 Chris Carpenter pitched a two-hitter for Toronto and Carlos Delgado hit a three-run homer as the Blue Jays crushed visiting Tampa Bay.

Rockies 6, Padres 4 In Denver, Jim Leyland became only the fourth active manager with 1,000 victories. Leyland ranks 45th on the career victory list, but only three other active managers — Tony La Russa, Bobby Cox and Joe Torre — are ahead of him. Brian Boarhan pitched no-hit ball for 5½ innings and had an RBI single to lead the Rockies.

Dodgers 8, Diamondbacks 1 Randy Johnson gave up seven runs in his home debut for Arizona, and Darren Dredge (2-0) held Arizona to two hits in seven innings.

In the American League, Kansas City at Cleveland was postponed by rain, as were St. Louis at Pittsburgh, Cincinnati at Chicago, and Atlanta at Philadelphia in the National League.



Clemens yelling into his glove during one of the worst outings in his career.

NFL Draft Is Ready for Kickoff

The Associated Press

NEW YORK — It has become the other annual rite of spring for American sports fans. Baseball season starts and gridiron fans get anxious over the National Football League draft, which begins Saturday.

Besides signing free agents, the draft of graduating college players is the primary means for clubs to restock their rosters with new talent, making the weekend conference of coaches, general managers and league executives the biggest off-field event in American sports.

In the United States, the draft gets the attention devoted to a World Cup draw. Newspapers print special sections detailing every club's needs and columnists "dope" the draft, giving their predictions of who will be selected by which teams in the first round.

Television specials with highlights of the players available fill the sports channels and local broadcasts. Sports talk shows on the radio are incessant.

The 31 NFL teams select for seven rounds (one through three on Saturday, four through seven on Sunday) in reverse order of their finish in the standings the previous year. Draft choices are so highly valued that players can be traded for them. Teams will trade players — or even two or more lower-round choices — on draft day to move up in the order, hoping to put themselves in position to get the particular player they want.

The impact of the draft usually is not immediately felt — except for the praise or criticism from the media and fans that inevitably follows. Rookies rarely start in their first year in the NFL, but within 2 to 3 years a team can go from the bottom of the barrel to the playoffs.

This year, quarterbacks are the hottest property, with the top prospects being Tim Couch of the University of Kentucky, Akili Smith of Oregon, Donovan McNabb of Syracuse, Daunte Culpepper of Central Florida and Wade McNow of UCLA. Couch, McNabb and Smith are likely to be chosen in the first three picks, in any order, by Cleveland, Philadelphia and Cincinnati.

Scouts say this year may be the best draft for quarterbacks since 1983, which saw John Elway, Dan Marino and Jim Kelly chosen in the first round along with Tony Eason, Ken O'Brien and Todd Blackledge.

But it's those last three — and the likes of other first-round disappointments of the past such as Kelly Stouffer, Todd Marinovich, Dan McGwire, Dave Brown, Andre Ware, David Klingler and Kerry Collins — that make teams wary of risking a top pick on a quarterback.

"If you go by the averages, you would hope one or two of them would be successful for their particular team," said Rich McKay, general manager of the Tampa Bay Buccaneers, who might take a stab at Culpepper or McNabb if they fall as far down as No. 15, where the Bucs pick.

Jim Mora, head coach of the Indianapolis Colts, who apparently made the

right move in taking Peyton Manning over Ryan Leaf last year, said: "You're not going to look five years from now and say, 'Boy, all these guys are great.' Down the road it might be just two of them."

But if quarterbacks go early, that would leave top players at other positions available to teams picking lower. Those players are led by Williams, who set a National Collegiate Athletic Association rushing record at Texas.

The Colts, selecting fourth, traded their star running back, Marshall Faulk, to St. Louis on Thursday, an indication that they might grab Williams if he's still available.

Other teams may get lucky, too, because others take quarterbacks.

"There may be four, potentially five, quarterbacks that go before we pick, and that's good for us," said Tom Donahoe, personnel director of the Pittsburgh Steelers, who pick 13th and are sticking with their current quarterback, Kordell Stewart.

The players who are likely to drop down a bit include Champ Bailey, a cornerback from Georgia who also plays wide receiver; the linebackers Chris Claiborne of Southern California and Jevoon Kearse of Florida; the wide receiver Terry Holt of North Carolina State; the comerback Chris McAlister of Arizona; the running back Edgerrin James of Miami and the offensive tackle John Tait of Brigham Young.

No. 36, 128

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Fed Up, Lakers Release Rodman

The Associated Press

LOS ANGELES — The Los Angeles Lakers have finally had enough of Dennis Rodman and his behavior, and have released him after only seven weeks.

After being let go Thursday night, Rodman said he had been made a scapegoat for the team's problems, and added that the Lakers were "cowards" not to take the fall for some of the things that have happened this year."

The Lakers said that they were finished with Rodman in the wake of another in a long list of incidents involving the eccentric forward.

"This obviously didn't work out like we had hoped," said Jerry West, said, "but we would like to thank Dennis for the contributions he did make to the team and wish him the best of luck in the future."

Desperate to win their first NBA title since 1988, the Lakers figured Rodman, a member of five championships

teams, was just what they needed to put them over the top.

In his final game, they bottomed out, losing 113-86 at Portland on Tuesday.

But that wasn't the last straw. That apparently occurred when Rodman, according to Kurt Rambis, the Lakers' coach, showed up late for practice on Thursday morning, and was slow getting ready because he couldn't find his socks and shoes.

Rambis later said he had told Rodman to go home.

The Lakers won their first 11 games with Rodman in uniform, but, since that time, they are 6-6 with him playing. They are 8-9 without him.

Rodman told Fox Sports News that the Lakers "have to have a fall guy, and I'm basically the fall guy." He apologized to Los Angeles fans, saying, "I hope I'm still loved by people here in the state of California."

Rodman, 37, said he would consider playing for another team this season.



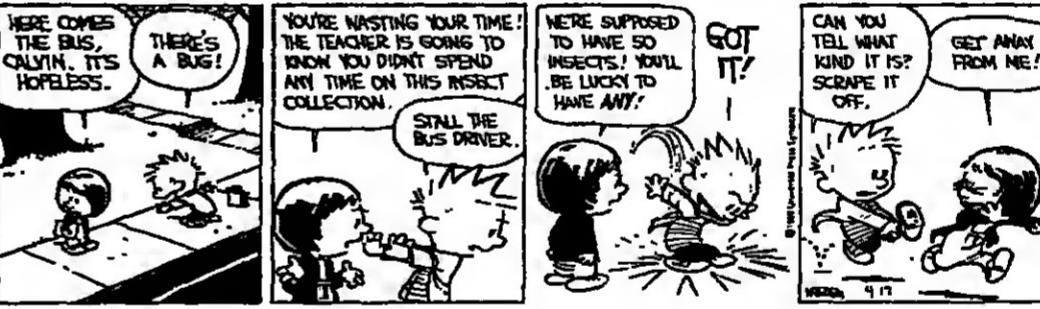
Dennis Rodman, shown in March, says he will consider playing for another team this season.

DENNIS THE MENACE

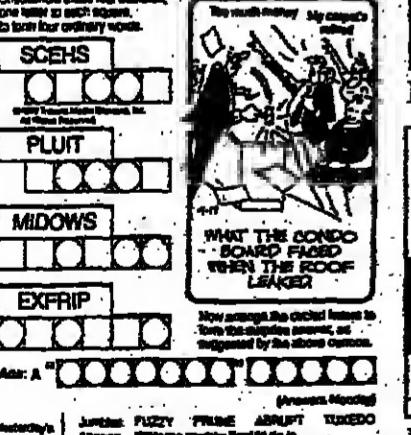
PEANUTS



CALVIN AND HOBBES



JUMBLE



GARFIELD



WIZARD OF ID



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FRANCE	FF	3,000	1,350	55%
GERMANY	DM	920	210	75%
ITALY	L	120	50	58%
HONG KONG	HKS	720	320	53%
INDIA	Rs.	110	55	50%
TAIWAN	Taiwan Dollars	130,000	62,000	53%
APACIFIC	RM	20,000	12,000	40%
NETHERLANDS	NLG	925	70	55%
SINGAPORE	S\$	925	350	60%
SWITZERLAND	FRS	12,000	5,500	55%
SWEDEN	SEK	935	450	52%
U.S.A.	\$	46	43	5%

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DAVE BARRY

'Them!' The Sequel

MLAMI — I'll tell you who I start to worry. I start to worry when "officials" tell me not to worry. This is why I am very concerned about the following Associated Press report, which was sent to me by a number of alert readers:

"RICHLAND, WASHINGTON — Radioactive ants, flies and gnats have been found at the Hanford nuclear complex, bringing to mind those Cold-War-era 'B' horror movies in which giant mutant insects are the awful price paid for humankind's entry into the Atomic Age."

"Officials at the nation's most contaminated nuclear site insist there is no danger of its becoming the setting for a '90s version of 'Them!'" the 1954 movie in which huge, marauding ants are spawned by nuclear experiments in the desert."

Should we trust these "officials"? I'll let you decide for yourself what the answer is (NO). But consider:

• For years, "officials" insisted that our cars needed air bags for safety; then, when we GOT air bags, "officials" started warning us how dangerous they are. The result being that many concerned parents now strap their children to the car roof.

• For years, "officials" told us that marijuana was an evil criminal drug. Now they tell us that it has quite "important medical benefits warranting further investigation, but first let's order a pizza."

• Every year, "officials" tell us to turn all our clocks ahead one hour, only to turn around a few months later and tell us to turn them BACK. Make up your minds, "officials"!

My point is that we cannot trust "officials" any farther than we can throw them by the leg. This is especially true when it comes to the Hanford nuclear complex. When this complex was built, "officials" said it was safe; now the whole area glows like a beer sign.

I did not see "Them!," but I do have a plot summary from a book called "Guide for the Film Fanatic." It states that after James Whitmore and James Arness discover the giant mutant ants marauding around the New Mexico desert, they kill most of them by burning their nest. But some ants escape, and the heroes "trace them to Los Angeles." The book doesn't say why the heroes would have to "trace" the ants; you'd think that if marauding insects the size of houses showed up in a heavily populated area, it would be mentioned prominently in the news media, but "Guide for the Film Fanatic" makes it sound as though Arness and Whitmore had to track the ants down via detective techniques:

JAMES ARNESS (showing a photograph to a storekeeper): Have you seen this ant? It's 23 feet tall.

STOREKEEPER (frowning at the photograph): Hmmm ... We did have a 40-foot praying mantis in here last week, but I don't recall any ... Wait a minute! Aren't you Marshal Dillon from "Gunsmoke"?

JAMES ARNESS: Not until 1955. Anyway, the heroes finally locate the giant ants in the Los Angeles sewer system, where, according to "Guide for the Film Fanatic," there is "a thrilling finale." The Guide gives no details on this finale, so we don't know whether the ants are killed, or mutate again and become agents, or what.

But the point is this: If, as now seems likely, the radioactive insects at the Hanford complex mutate and start marauding, they will almost certainly head for Los Angeles. This is a terrifying prospect. Imagine how you would feel if you tuned in to the evening news and learned that, for example, Fran Drescher had been sucked dry by a gnat the size of a water buffalo. You'd feel pretty excited. You'd hope there was video.

But innocent people could also be hurt, and that is why we need to do take action NOW. Instead of frittering away billions on this "Star Wars" missile-defense system, we need to use that money to construct, in the desert outside of Los Angeles, a 100-foot-high, 500-foot-long, fully functional Hostess Twinkie. The giant insects would be attracted to the Twinkie, and while they were munching on it, an earth-orbiting manned space station would launch a rocket-propelled, 18,000-pound man's shoe, which would, by the time it reached the Twinkie, be traveling at over 6,000 miles an hour, resulting in a Stomp of Doom that would hurl globs of cream filling as far as St. Louis.

Of course, building a weapons system this size would cost a lot. There would be political considerations: Powerful members of Congress would insist on having giant Twinkies built in their states, too. But that is a small price to pay for national security. We must proceed with this! We already have the technology! Which means, of course, that so does China.

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Story of a Gay Trio Shakes Up British TV

By Sarah Lyall
New York Times Service

LONDON — It burst onto British television in February, an explosion of graphic language, male nudity and explicit sex guaranteed to offend as many people as it enthralled. It was called "Queer as Folk," and it set out to venture where British television had not gone before, chronicling the lives and loves of a trio of gay men from Manchester who were not role models, victims or martyrs.

If that was not radical enough, the series seemed determined to shock. Its first episode, which daringly included a 15-year-old boy having sex with a 29-year-old man, generated outrage from all sides, not least from gay-rights groups who said it played to anti-gay stereotypes. Conservatives, meanwhile, said they were horrified, both by the act and by the audacity of depicting it on television.

But as "Queer as Folk" continued its eight-week run, a strange thing happened. It began to mellow into a compelling drama that many viewers began to find absorbing as any late-night soap opera. Never mind the homosexuality. After a few weeks, it seemed, the three million or so people who tuned in each week — more than half of them women — were drawn simply by the story.

"Quite apart from anything else, the pace of the script is so fast, funny and brave," wrote Barbara Ellen in *The Observer* of London. And writing in *The Independent*, Alison Pearson called the series "smart, funny, beautifully acted and squeakingly explicit."

But the discussion did not go away. And this week, as "Queer as Folk" finishes its first run with the promise of a second season, most likely next year, viewers, critics and programmers are still debating what if anything the series says about the state of homosexuality and the state of television in Britain.

The series' co-creator and writer,

Russell Davies, said he knew he was making history of sorts when Channel Four hired him to write a series about gay men whose sexuality was accepted as a matter of course rather than as a novelty or an anomaly. The title derives from an old Yorkshire saying: "There's nowt so queer as folk": There's nothing so odd as people.

Channel Four, a commercial competitor of the BBC whose mandate in part is to appeal to mainstream constituencies, had been looking for a way to make a series in which "heterosexuals barely get a look-in," as Gub Neal, the station's head of drama, put it. It's not that homosexuals haven't appeared on British television. But to the extent that gay characters have been featured in popular shows, such as the soap opera "Brookside," they have usually been AIDS sufferers, victims of social and employment discrimination or vehicles on which others can project their fears and prejudices. And other shows, like *Armistead Maupin's "Tales of the City"*, have tended to focus on the political aspects of being homosexual.

Most of the gay drama we've had on British television has dealt with big statements: victimization, the political agenda, AIDS. Neal said, "But this group of characters doesn't think they're victims at all. They're not even aware that they're a minority. They simply exist and say, 'Hey, we don't have to make any apologies, and we're not going away.' The series has given us a chance to simply reveal gay life, to some extent, in its ordinariness."

But how ordinary are the characters in "Queer as Folk"? The setting is a small but thriving urban gay community in Britain's heartland, and the plot concerns a group of nightclub-loving young men who are affluent, unattached and generally revel in their promiscuity. Among other things, the series shows them bare-chested and dancing, kissing and having sex with strangers and making lewd jokes



Top to bottom: Craig Kelly, Aidan Gillen and Charlie Hunnam.

about their romantic conquests.

It was this kind of behavior that upset many critics, even those who said they supported homosexual rights. "No one in 'Queer as Folk' is remotely admirable," wrote John Macleod in *The Herald* of Glasgow, listing all the things he found distasteful about the series: "promiscuity, age-exploitation, unlawful drug use, deception, filthy language, drunkenness, infidelity, betrayal and callousness." And that summarized the left's

initial objection to the series. While conservative-minded people said it was terrible to air graphic depictions of gay sex, some scenes were "little short of pornographic," wrote Tim Lusher in the right-leaning *Daily Mail* — advocates of gay rights worried the show would endanger their cause. "It didn't challenge any stereotypes," said Angela Mason, director of Stonewall, a gay-rights lobbying group. "It was ridiculous. I thought the explicit sex scenes with

a youthful 15-year-old did smack of sensationalism."

Much of the criticism focused on Stuart, one of the main characters, a charming, good-looking Lothario with a ravenous sexual appetite and a studied indifference to the feelings of others. He doesn't care that Nathan, the drop-dead handsome 15-year-old he sleeps with in the first episode, wants a real relationship. Nor does Stuart care that Vince, his best friend, has been in love with him for years. All Stuart wants, he says, is to have a good time with as many men as he can.

"Every libel hurled at the gay community over the years," Macleod wrote, "seems vindicated by 'Queer as Folk'."

But in Davies's view, the characters should not have to be representative or admirable. "What straight drama sets out by saying, 'We must depict the whole of straight life?'" he asked. "This is a very, very narrow slice of gay life. To criticize it for not depicting everyone is like watching a current-affairs documentary and saying, 'Why isn't there more cookery?'

Davies, who is gay, said he found it liberating to write about characters who live hedonistically at times without excuse and without apology. Nathan is "out, and he's proud, and he's happy," he said. "That seems to be what some people found so shocking. I think they would have been happier if I'd done a story about a 15-year-old who is gay and who goes out and hangs himself."

To be sure, Neal said, Davies's characters are much more interesting to watch than, say, a monogamous middle-aged gay couple would be. "It wouldn't have been that exciting to show them doing things like cooking for each other and going out for Sunday lunch," Neal said. "The series doesn't have to make big comments about life. It does what British drama has done for years, to say that we can follow the small details of people's lives and find that very interesting."

PEOPLE

A SECONDHAND book bought at a flea market in Amsterdam turned out to be more than a worthwhile purchase when the owner found two sketches by Rembrandt between its pages. Newspapers reported Thursday that after returning from the market, the buyer — whose name was not given — paged through her new \$1 book and found three drawings valued at more than \$50,000 total. Two of the sketches, which were not described, were original and a third was drawn by one of his students. An art expert authenticated them.

The main library of Marin County, California, the last major work designed by Frank Lloyd Wright, will stay open for now despite pressure to close it down to save money. The Marin County Library Commission has voted against recommending closure, opting instead to support a sales tax increase. The final decision is up to the county board of supervisors. The library in San Rafael, with its domed blue roof and tall spire, is the centerpiece of the civic center completed after Wright's death in 1962.

Liam Neeson says the new "Star Wars" movie isn't changing his life. The Irishman told *Entertainment Weekly* that he can remember braving a dangerous section of Belfast years ago to see the original "Star Wars." Then a young theater actor, Neeson said he found the film "breathtaking." That memory was part of what made Neeson jump when offered the chance to meet George Lucas in London two decades later to discuss "Episode I, the Phantom Menace." He plays Qui-Gon

Jin, a Jedi master. Asked whether all the hype of another potential blockbuster has changed him, Neeson said simply:

"I'm 46 years of age. I'm married with two kids. I love to fly fish. That will never change. At the end of the day, you know something? It's just a movie."

A 13-page, hand-written script by Hans Christian Andersen has been sold at auction for \$75,400. A Danish newspaper reported Thursday. The story is titled "The Philosophers' Stone" and was given by Andersen to a family as thanks for letting him stay at their home during his trip to the Jutland region in 1859, the *Jyllands Posten* reported.

Prince William of Britain became godfather to Prince Konstantine Alexios of Greece at a ceremony in central London. William, the elder son of Prince Charles and the late Diana, Princess of Wales, went alone to the christening of the infant son of Crown Prince and Princess Pavlos.

The 100th birthday of Fred Astaire will be celebrated in May by the Academy of Motion Picture Arts and Sciences with a film and music program. The show will feature many of the tunes Astaire introduced into the classic American songbook, and film clips of his dancing with Joan Crawford in "Dancing Lady," with Ginger Rogers in "Flying Down to Rio" and with Rita Hayworth, Cyd Charisse, Jane Powell and Judy Garland.



ALL ABOUT PEDRO — Pedro Almodóvar, left, and cast members of the director's new film, "All About My Mother," at the premiere in Madrid.



(take in a rock show)

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